





## HOME NEWS

## Water strike nearer as NUPE backs wage claim

By Paul Routledge  
Labour Editor

The threat of a water strike grew yesterday when the second largest union in the industry endorsed a call for industrial action in pursuit of a pay claim of 4.6 per cent.

Leaders of the National Union of Public Employees voted to back a recommendation from their water workers' national committee that sanctions should be employed over a demand for comparability with wages in the gas and electricity supply industries.

Mr Ronald Keating, assistant general secretary of NUPE, said industrial action was inevitable if the employers did not honour a comparability study recently carried out comparing rates of pay in the three utilities. Water workers say they are £10 a week worse off than gas and power workers.

NUPE water employees have joined those in the General and Municipal Workers' Union in threatening strike action if parity is not conceded, and they will almost certainly be joined by members of the Transport and General Workers' Union who meet today.

The water workers have rejected just over 13 per cent, but local government manual workers will today sign an agreement for almost exactly the same rise.

The executive committee of NUPE decided to accept the offer after an overwhelming majority of their 450,000 town hall manual staff voted in favour in a ballot. The agreement covers 1,100,000 men and women.

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## Man arrested in scuffles at factory

From Our Correspondent  
Slough

Demonstrators clashed with police and a man was arrested as 150 pickets tried to block non-union workers entering a factory at Slough, Berkshire, yesterday.

The demonstration, called by the General and Municipal Workers' Union, began peacefully outside the Chix sweet and bubble gum factory in Farnham Road.

Some pickets laughed and joked with the 40 police called to cover the demonstration. But when a mini bus tried to take non-union workers into the factory through a rear gate, scuffles broke out. Pickets yelling "scabs" and "traitors" tried to hold the gates closed and block the van.

No one was hurt as the mini bus got through. The demonstration was the latest step in a dispute which has lasted 13 weeks.

It was called in support of 96 Asian women workers, members of the GMMW, who have been on strike since October 16 demanding recognition of their union.

"The dispute is fast becoming another Grunwick," said one union official. "All we want is for the company to recognise our union, but they refuse to talk to us."

The company refused to comment.

## Correction

An article on the state of the professions on January 3, gave the average salary for hospital doctors in Britain as £15,000. That figure is the top of the consultants' scale.

## Call for innovation in higher education

By a Staff Reporter

The Government should introduce a measure of manpower planning to protect it against stagnation, Mr Alan Thompson, Deputy Secretary at the Department of Education and Science, told a Commons select committee yesterday. There had been no departure from the principle in the 1963 Robbins report that higher education should be available for all who were able, qualified and wished for it.

But that did not mean students could follow whatever course they liked at whatever institution they wanted. The higher education system had been expanding for many years and all its management and control mechanisms were based on that assumption, Mr Thompson said.

That was about to change for the first time in 30 years to a system that might be more or less static and contained. It was not simply a question of less money. The 18-plus age group would drop fairly rapidly after 1982, and stability in higher education in the 80s had always been likely.

The Government's expenditure policy, which might mean no increase in funds for higher education over the next two or three years, had made it a reality sooner.

If this is the case, the question is how to ensure that stability does not become stagnation; that there is always room for innovation.

Mr Thompson was speaking to the first meeting of the new Select Committee on Education, Science and the Arts which, under the chairmanship of Mr Christopher Price, Labour MP for Lewisham West, is examining the way higher education courses are organized and financed.

He suggested the answer was an element of manpower planning, which the universities and polytechnics would probably welcome in the form of a coherent policy on numbers, subjects taken and types of courses.

One way might be to translate the specific needs of employers into broad subject areas to act as a guiding principle.

A second would be to rationalize courses. That was important to enable innovation to take place.

On the recent decision to charge the full cost of courses to overseas students, Mr Thompson said the effect would not be as catastrophic as had been made out.

The effect would be gradual, as the charge applied only to new entrants, and therefore could be phased in.

If the shorter length of British courses were taken into account, as well as the relative costs of living in different countries, the charges were said to be uncompetitive, he said.

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## Poorest 'hit by cuts in spending'

By Pat Healy  
Social Services Correspondent

Millions of families face a fall in living standards because the Government has abandoned social priorities, a Child Poverty Action Group pamphlet says today. The proportion of national resources being devoted to the poorest has been cut, and may be reduced further in the next round of spending.

The pamphlet points out that Britain spends less of its gross national product on social programmes than most other European countries and argues that there is no economic imperative to engage in the cuts.

On the contrary, orthodox economic analyses, supported by empirical evidence, suggest a need for an increase in public spending.

Present public spending cuts are inefficient because they are being made across the board, the pamphlet says. They do not make economic sense, place the main burden on the poor, and affect families most.

It contrasts the £1 to £2 a week gained through tax cuts for families living just above the official poverty line on wages of £60 to £80 a week, with the extra costs they face through school meals and transport charges, higher value added tax, and prescription charges.

"The social wage is crucial for the living standards of millions of families, as wages or salaries, and for many of the poorest it is vital," the pamphlet says.

Social spending should be seen as essential maintenance of the human factor in production, as investment in sickness prevention and cure, and as investment in families and in the future generation.

Abandoning social priorities by Alan Walker, Paul Ormerod and Larry Whitty (CPAG, 1 Macklin Street, London WC2) £1.05.

Some social workers believe that the real danger is not the wave of sniffing which can sweep through a school for a short time drawing publicity, but the individual child who continues the practice afterwards.

At Folkestone, he said, the leave the dock on condition that it was impounded in the hauler's yard. "There will be a daily check, and we have told the hauliers that if a 24-hour picket is on the yard it is moved," he said.

Pickets sent scouts to the Kent ports of Rochester and Whitstable to investigate steel movements there, but no picket line had been mounted on the ports.

There was still no sign of any significant steel imports to Dover. The Dover Harbour Board said no shipments were due in the next few days and the steel stockpile was "very small".

As far as the board knew, steel shipments had not been switched to Dover, as the pickets feared, after successful blockades of east coast ports.

"We think the pickets have been given some misleading information," a board spokesman said.

Steel users are behaving very calmly and are rescheduling their programmes," he said. "The stocks they had when the strike started are holding up."

At Corby where there are about 14,000 men on strike, a strike leader said: "It is 54 years since we had an official strike and we are just learning."

Corby goes ahead with these shutdowns without consideration, the strike leader said. "The consequences will follow."

Mr Srs said it would exacerbate the strike. "We have not discussed it. If they take any decisions of that sort there could be a holocaust as far as the trade unions are concerned. You can rest assured... they would be engaging the wrath of the whole TUC and joint action that would bring the whole industrial sector grinding to a halt quicker than a steel strike. And I mean the whole country."

Another straw in the wind seems to blow ever more militant in the dispute was a letter to the ISTC general secretary from London cab drivers, belonging to the Transport and General Workers' Union asking him to propose a general strike

at next week's meeting of the TUC general council.

Mr Srs will be telling them to take it up with their own union. "I would hope that it would not happen," he said.

In the 10 days before the private sector is called out, the steel unions will be looking for an offer from British Steel. But despite the intervention of the Advisory, Conciliation and Arbitration Service, the two sides seem far apart when the strike begins.

"Acas said they would put our views to the BSC and have a word with us at a later stage," the ISTC general secretary said. "I still feel that unless British Steel are putting money on the table the chances of getting round the table are remote."

Letters, page 15

## Many GPs unaware of patient groups

By John Roper  
Health Services Correspondent

Like any new idea in medicine, patient participation groups in family doctors' practices are having a hard time establishing themselves, a conference on the subject organized by the Royal College of General Practitioners was told yesterday.

A survey conducted seven years after the first groups were established found that between 10 and 15 general practitioners who were training younger doctors were unaware of the existence of such groups. The other five doctors had a vague idea of their purpose.

There was fear of the idea, with comment that only atypical patients, like "That's Life" freaks, moaners, hypochondriacs, committee types and bored housewives would be likely to join.

There are about 25 patient participation groups, established by family doctors with say in the way that primary health services are provided, helping to encourage self-care and prevention of disease, and of improving the contact between the doctor and families.

The survey, by Mrs Jo Wood, research fellow in the department of general practice, Manchester University, concludes that patient participation is an emotive issue that holds great promise and risks in the eyes of family doctors. The concept should neither be rejected out of hand nor precipitously welcomed.

The initial response of doctors was likely to be negative, seeing a close contact between the establishment of groups and "interference" and an increase in patients' complaints. However, all but two of the doctors interviewed saw the possibility of potential benefits to the groups.

Groups could increase patients' understanding of the doctor's workload and his difficulties.

The survey found that medical critics of such groups were wrong in thinking that the initiative had come from patients. All groups had been begun by family doctors through a growing awareness of deficiencies in community services; and a desire to dissipate the doctor's image in some practice as a "dragon receptionist".

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## STEEL STRIKE

## Three steelworkers arrested as tempers flare on picketlines

From Penny Symon  
Birmingham

Tempers flared for the first time on the picketlines in the West Midlands yesterday and three Yorkshire steel workers were arrested.

The men had arrived in the region, which contains the largest concentration of steel stockholders in the country, on Monday to reinforce picketlines outside those firms.

Yesterday's anger erupted outside Bore Steel of Walsall, which had been selected as one of the targets because members of the Iron and Steel Trades Confederation in the region were unhappy about steel from the British Steel Corporation going out from the plant, and also about the movement in and out of imported steel.

The first picket, Mr Thomas Cassidy, aged 31, from Doncaster was arrested shortly after 7 am and charged with criminal damage to a lorry. He was banded in custody by Walsall magistrates and will appear in court again tomorrow.

Two more pickets, Mr William Alburt, aged 32 and Mr John Bailey, aged 29, both from Rotherham, were arrested at lunchtime and charged with obstructing the police. They were given conditional discharges for 12 months.

Mr Kenneth Johnson, the firm's managing director, said that no BSC steel had come into the plant since the strike began, but some had managed to be got out yesterday.

About 300 pickets were out yesterday and Mr Clive Lewis, a regional ISTC official, said that in general they had been behaving well. "But we cannot keep an eye on everyone, and people do lose their tempers in certain circumstances."

He denied any suggestion that picketing in the region was not effective because the steelworkers had not been militant enough. "As far as we are concerned picketing is effective, and we are getting cooperation from many lorry drivers," he said.

"We do need more pickets to help with the tremendous number of steel stockholders in this area, but we want steelworkers, not all sorts of militants, who are nothing to do with the industry. I want men who can look at a load on a lorry and say exactly what type and size of steel it is carrying."

The pickets again concentrated yesterday on steel stockholders, because we are only concerned with the steel at source," Mr Lewis said. "That is why we had not picketed British Leyland at Castle Bromwich. We know, because trade unionists inside are telling us, that they are not getting supplies of steel in, so there would be no point in picketing there."

Manufacturers in the region have three to five weeks' supply of steel left but concern is growing about the vulnerability of the smaller firms which have little or no storage space, and rely heavily on the stockholders.

Wives of ISTC officials in the region were out again yesterday with their soup vans from which they are dispensing soup to pickets deployed all over the area. The van was out of action on Tuesday after being stuck in a heavy snowstorm on Monday.

There have been a lot of teething problems but they are being ironed out. By next week the strike will really start to bite."

City district council yesterday announced the appointment of a director of industry with the task of attracting new jobs to the area to replace the 5,500 to be lost with the planned closure of steelmaking in March.

The new job is the first joint appointment between a district council and the Commission for New Towns. It will be taken up by Mr Frederick McGlenaghan, assistant director of industry at Peterlee, Durham. He will start work in April.

Few incidents: Picketing in South and West Yorkshire was almost without incident yesterday (Ronald Kershaw reports from Sheffield). One man was threatened inside the "Winco" bank, Sheffield, who was a private sector company. Arthur Lee, for jumping in front of a vehicle entering the works. He was later released by the police after a caution from a senior officer.

Key offer details: BSC is to send details of its pay and productivity offer in a letter to the 7,000 workers in the Scottish division. Mr Robert Scholey, chief executive of BSC said yesterday. (Ronald Faux reports from Glasgow).

Speaking at Glasgow airport during a flying visit to the Scottish steel works Mr Scholey said the corporation was to spend £25,000 a day on countering the propaganda put out by the unions who, he said, had failed to suggest a deal. BSC offer to their members.

While those present at the meeting shared the view that the Government must stick to its policy of strict cash limits, about three MPs voiced the view that the Government ought to be more positive over the need to break the deadlock.

Part of the argument arises out of the blunt dismissal that Sir Keith Joseph, Secretary for State for Industry, gave to Mr Kenneth Lewis, Conservative MP for Rutland and Stamford, on Monday.

Mr Lewis had asked for an assurance that there was no intention by the Government on the Secretary of State for Employment conceding where he could, when the Advisory, Conciliation and Arbitration Service indicated that it was possible.

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## Strike fails to freeze movement of supplies

From David Nicholson-Lord  
Corby

Steel users and stockholders in much of eastern England continued largely free of pickets yesterday casting doubts on the effectiveness of strike plans so far in freezing movements of steel.

Most companies in the east Midlands and East Anglia have a stock to last at least three or four weeks and are not experiencing great difficulties in obtaining supplies from stockholders, according to regional representatives of the Confederation of British Industry and the Engineering Employers' Federation.

Mr Michael Stamp, director of the east Midlands Engineering Employers' Association, which has 600 member companies with 150,000 employees said: "We are worried about the future but at present no companies have been seriously embarrassed. Picketing has been limited at some companies that were affected."

Midlands regional director of the CBI, estimated that member firms had "anything from three to four weeks to three to four months" of steel in stock.

Steel users are behaving very calmly and are rescheduling their programmes," he said. "The stocks they had when the strike started are holding up."

At Corby where there are about 14,000 men on strike, a strike leader said: "It is 54 years since we had an official strike and we are just learning."

Corby goes ahead with these shutdowns without consideration, the strike leader said. "The consequences will follow."

Mr Srs said it would exacerbate the strike. "We have not discussed it. If they take any decisions of that sort there could be a holocaust as far as the trade unions are concerned. You can rest assured... they would be engaging the wrath of the whole TUC and joint action that would bring the whole industrial sector grinding to a halt quicker than a steel strike. And I mean the whole country."

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Mr Srs will be telling them to take it up with their own union. "I would hope that it would not happen," he said.

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Letters, page 15

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## ORC SURVEY

Poll finds a deep unease with working of present political system and a desire for something better

## Voters in right mood for formation of a centre party

The mood of the British voting public appears to be right for the formation of a centre party. There is considerable apprehension about the Labour Party drifting to the left and the Conservative Party going to the right. But if Mr Jenkins decides to throw his hat into the ring his success will undoubtedly depend on the type of centre party he envisages.

For, though a clear majority of people favour the formation of a new party in the centre, there is no consensus on its component parts. There is also a strong desire, if possible, to avoid a split in the Labour Party and it is undoubtedly a political factor which the proponents of a centre party would have to evaluate and get right.

These are some of the key findings in a special poll on attitudes to the concept of a centre party commissioned by *The Times* and carried out between January 4 and 6 by Opinion Research and Communication, with a representative national growth sample of 1,039 electors in 100 constituencies in England, Scotland and Wales.

The survey shows that there is deep unease with the working of the present political system, and a desire for something better—including a fairer system of relating votes to political power.

Uneasiness goes well beyond the political parties and can be said to encompass most of what might loosely be termed the "political establishment"—including the unions and business.

This can be seen in the first table:—

	Agree	Disagree	Don't know
The present political system no longer works properly	53	34	13
The Labour Party is moving too much to the left for my liking	60	22	18
The Conservative Party is moving too much to the right for my liking	46	34	20
The trade unions have too much power over the Labour Party	75	17	8
Business and industry have too much power over the Conservative Party	40	38	22
People who don't want to support the Labour Party or Conservative Party have no opportunities of making their views felt	55	35	10

The dissatisfaction with the way the political system is working is significantly greater among the Labour Party and the Liberals—possibly because Conservatives are suspending judgment to see how the new Conservative experiment in government works out:—

	C	Lab	L	Rest
Present political system no longer works properly	41	58	65	60
Disagree	48	29	27	16
Don't know	11	13	8	22

It is not unexpected that most Conservatives think that the Labour Party is moving too far to the left, but it is significant that four out of ten Labour voters share the same view:—

	C	Lab	L	Rest
Labour Party is moving too far to the left	82	33	71	47
Disagree	6	41	15	32
Don't know	12	26	14	21

A majority of Labour supporters think that the Conservative Party is moving too far to the right, but the extent of this disquiet is by no means as high. It is also interesting that only 21 per cent of Conservatives view this idea with alarm:—

	C	Lab	L	Rest
Conservative Party moving too far to the right	21	65	61	41
Disagree	66	12	22	23
Don't know	13	22	17	37

Predictably nine out of ten Conservatives and as many (86 per cent) of Liberals think the trade unions have too much power over the Labour Party. What is striking is that 56 per cent of Labour voters take the same view. Concern about the business world's grip on the Conservative Party is not so great: a bare majority of Labour voters (54 per cent) take this view, but in the case of supporters of the other parties it is only a substantial minority view. A clear majority of voters—55 per cent—would like to see a new party formed in the centre of British politics. But there is no consensus at all on its constituent parts:—

Q: Some people would like to see a new party formed somewhere in the political centre. Would you like to look at this card and say which is your own view?

	All	C	Lab	L	Rest
I would like to see a centre party formed by the right wing and moderates of the Labour Party splitting away from the left wing section	9	7	14	4	5
I would like to see a centre party formed by the moderates and the right wing Labour M.P.s joining up with the Liberals	14	4	22	23	7
I would like to see a centre party formed by the left wing of the Conservative Party joining with the Liberals	9	15	2	13	6
I would like to see a centre party made up of the Liberal Party, and the moderates and right wing of the Labour Party and left wing of the Conservative Party	22	22	14	41	20
I am not in favour of a centre party being formed at all	32	40	33	14	27
Don't know/none of these	14	12	15	5	26

The first thing to be said about these figures is that only one third of voters feel satisfied enough with the present political alignment to reject the centre party concept positively.

The second is, despite the fact that it is their Government in power, Conservative voters are not much happier than Labour supporters. Thereafter, as might be expected, party opinions differ. Labour voters, not surprisingly, do not favour a left-wing-Conservative/Liberal centre party. Equally, Conservative voters are unenthusiastic about a Labour-moderates/Liberal coalition.

But in both parties something like one in two would favour one or other alliance to alter the present political landscape.

There are few significant regional variations. But in general it can be said that people in the South are less in favour of a link-up between the Labour Party moderates and the Liberals:—

	North	Midlands	South	Scotland/Wales
I would like to see a centre party formed at all	18	19	9	15



David Steel: main contender for leadership of a new centre party.

The only other break worth mentioning is that people in the North, perhaps, are a little less for the political status quo:—

	North	Midlands	South	Scotland/Wales
Not in favour of a centre party being formed at all	26	34	34	35

At the time the poll was taken the voting intention was as follows: Conservative, 39 per cent; Labour, 42 per cent; Liberal, 16 per cent; Nationalist, 2 per cent; Other party, 1 per cent; no voting intention, 11 per cent. Two further questions were then asked to investigate the likely effect on voting patterns if Mr Jenkins (or indeed anyone else) decided the time had come to launch a centre party.

What came through was that a centre party which consists of a breakaway group of moderate and right-wing Labour voters would succeed only in splitting the Labour vote without having any real chance of winning power. The effect would probably be to give Britain two Liberal-sized parties in the centre instead of one. For such a centre party would take very little support away from the Liberals (3 per cent) and would not attract more than 16 per cent of votes in total.

A much more viable runner would be a centre party formed by fusing the moderates and right wing of the Labour Party with the existing Liberal Party. This would give a voting support of about one quarter of the voting population. But again (because there seems to be no consensus on what sort of creature a centre party ought to be) it would not seem likely to achieve majority power. We would then end up with three parties of very roughly equivalent voting pull.

Q: If a centre party was formed by the moderates and right-wing members of the Labour Party splitting away from the left wing and they put up a candidate in your constituency, which of the following candidates would you be inclined to vote for?

	All	C	Lab	L	Rest
Conservative candidate	26	71	1	1	2
Labour candidate	29	2	72	3	12
Liberal candidate	13	5	4	65	6
Centre party candidate	16	13	17	27	12
Nationalist or other party candidate	2	1	1	—	11
Would not vote	4	2	1	—	21
Refused	1	—	—	—	5
Don't know	9	6	4	3	31

Q: If a centre party was formed by the moderate and right-wing members of the Labour Party joining up with the Liberals and they put up a candidate in your constituency, which of the following candidates would you be inclined to vote for?

	All	C	Lab	L	Rest
Conservative candidate	29	76	1	11	4
Labour candidate	31	3	79	10	11
Centre party candidate	23	13	17	63	19
Nationalist or other party candidate	3	1	1	2	12
Would not vote	5	2	2	4	23
Refused	1	—	—	—	6
Don't know	8	5	6	10	26

The most worrying thing for those who believe a centre party could be the salvation of the political system in Britain is that the defections from the Labour Party and Conservative Party remain astonishingly small whichever of the two likely alternatives are postulated.

By a strange coincidence the figures are the same—respectively 13 per cent of Tories and 17 per cent of Labour voters—for both a centre party made up of the Labour moderates and right wing or a centre party incorporating Labour moderates and right wing and the existing Liberal Party. All that seemingly happens is that with the disappearance of the Liberal Party Liberal voters scatter. The great majority, clearly, go to the new centre party. But a few, perhaps renegade Tories, go home. Similarly the Labour Party and the Nationalists pick up a few. But the coalition of the Social Democrats and Liberals, in this event, does not attract any extra votes when all the movements have taken place.

Two further questions suggest that another Liberal revival might not be too fanciful:—

Q: If you thought at the next general election the Liberal Party had a reasonable chance of winning the election, would you vote for them or not?

	All	C	Lab	L	Rest
Would	42	27	38	99	37
Would not	50	67	57	1	42
Don't know	8	6	7	—	21

It is not surprising that more Labour voters are pro-Liberal. What is interesting is that one in four Conservatives answer positively.

The second question is very hypothetical and, perhaps, should not be taken too seriously. There are three caveats: the first is that a centre party does not exist. Second, there is no genuine list of runners for its leadership. And, third, Mr Roy Jenkins's support is probably unfairly represented since he has been out of politics and the mainstream of news for some time—and visibility is most important in polling response. Even so, two items are

worthy of note. The first is that David Steel emerges clear favourite of our hypothetical list to lead a centre party, and second is that Mr Edward Heath, who has no party behind him, no close adherents, and gets very little political exposure, still comes a quite close second.

Q: If a centre party was formed and it won the next general election, which of the following politicians would you like to see leading it as Prime Minister?

	All	C	Lab	L	Rest
David Steel	24	16	19	63	19
Edward Heath	19	41	5	6	12
Shirley Williams	16	5	29	10	11
Roy Jenkins	11	12	13	9	7
William Rodgers	1	1	3	—	—
None of these	18	19	17	9	26
Don't know	11	6	14	4	25

That underlying strength of the Liberals is underlined by a further warning sign: the desire of voters generally not to see the Labour Party fragment itself.

Q: Some people think, because of the present quarrels between the moderates and the left wing, that the Labour Party will split in two. In respect of which party you support, do you think that would be a good thing or a bad thing for the country?

	All	C	Lab	L	Rest
Good thing	26	36	14	32	27
Bad thing	59	51	79	52	44
Don't know	15	13	13	16	29

Perhaps the most surprising feature of the tables is that a bare majority of Conservative voters (51 per cent) believe it would be a bad thing for the country to see the present factional troubles of the Labour Party lead to a permanent split. Despite this, the unease about the working of the present political system remained as the final question showed. The lobby for parliamentary reform and for the introduction of some sort of proportional representation system clearly has a lot of support—particularly in relating the number of votes cast to the number of seats a party wins:—

Q: Do you think it would be a good idea or a bad idea if a new system of voting was brought in?

	Good idea	Bad idea	Don't know
(a) So that the number of seats a party wins in an election is in proportion to the number of votes it gets in an election	72	13	15
(b) Which would make it more difficult for the largest party in Parliament to do what it wants without taking any notice of what the other parties want	45	35	20
(c) Which would only make it possible for one party to form a government after an election if it had won half or more of the votes	52	28	22

Analysed by party the Liberals, not unexpectedly, are more in favour of electoral reform, but the differences are not great. In general the unease cuts across parties and there would be a general welcome among voters for some sign that political power equated more fairly with votes cast.

\* All figures in the tables are percentages.

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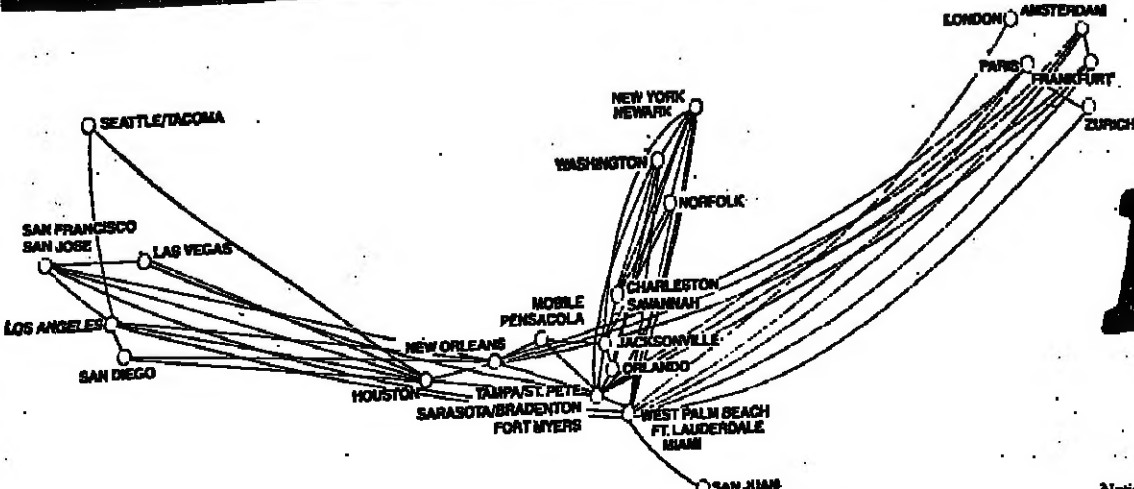
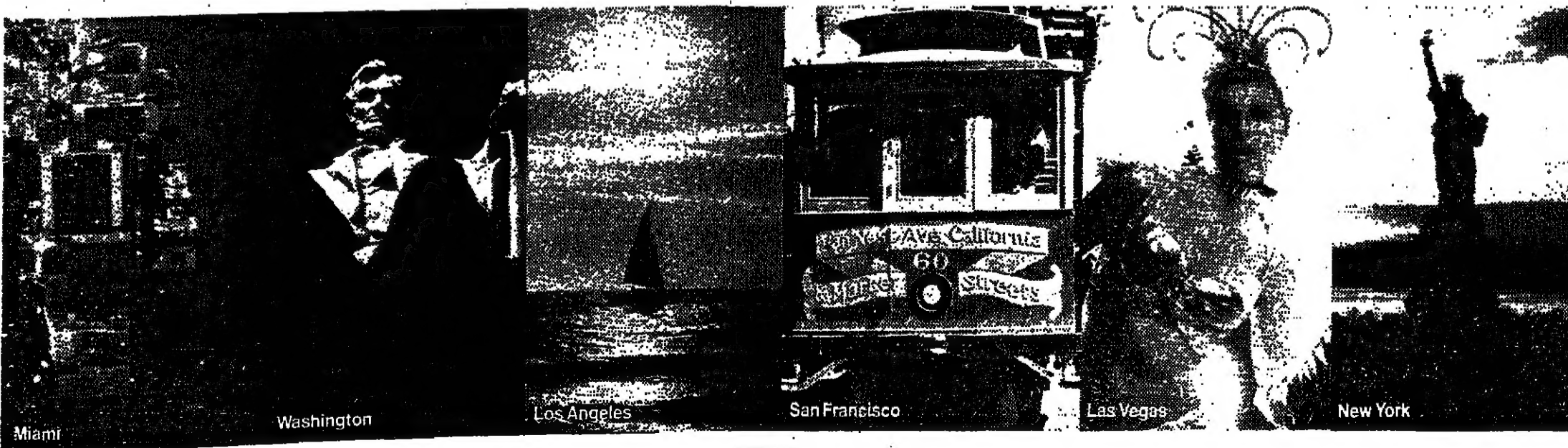
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PARLIAMENT, January 16, 1980

# Gas bills likely to go up 50p a week but smaller increases in electricity charges proposed

House of Commons

The average family gas bill will rise by 50p a week next year, Mr David Howell, Secretary of State for Energy, said. He added that even after the proposed price increases Britain was likely to have the lowest domestic gas and electricity tariffs in Europe.

Mr Howell (Guildford, C) had made a statement about financial targets for the British Gas Corporation and the electricity supply industry in England and Wales.

It is a fundamental objective of this Government's policy towards the nationalised industries that they should be set a clear financial discipline. We therefore opened discussions with the gas and electricity industries about medium-term financial targets for the period 1980-81 and 1982-83. The external financing limit for 1980-81 announced last November was set in the light of those discussions, which have now been satisfactorily concluded.

In a period of international uncertainty over fuel supplies and rapidly rising fuel costs, it is important that consumers should be aware of the true value of the fuel they are using. The prices which consumers pay for different fuels must reflect the true cost of the fuel into account, in particular, the fact that oil and gas supplies are limited.

We must conserve our scarce energy supplies for future generations. After a year in which crude oil prices have risen by 100 per cent or more, it is bound to mean heavy increases in other fuel prices.

The need to move to economic pricing has been our main consideration in setting the financial targets for the two industries.

I recognise that adjusting to a new level of higher energy prices brings serious problems for many households, especially the old and the poor. The new scheme of assistance with heating costs announced by the Secretary of State for Social Services on October 22 last was designed to provide worthwhile help for those in most need.

We shall make proper account of the cost of energy in our social policies and in determining benefit levels, particularly the levels of heating allowances. We are reviewing, in this context, the whole range of help available to assist consumers with fuel bills.

Turning specifically to gas first: there are five reasons why domestic gas prices will have to rise. In a first, our reserves of natural gas represent a finite and increasingly valuable national resource. If the price is too low, we shall burn it up too fast and bring forward the day when we have to turn to more expensive sources of supply.

Second, in the short term too, low prices cause peak demand to surge above what it would otherwise be, bringing the risk of shortages and supply cuts on cold winter days.

Third, gas from new North Sea fields will cost several times more than earlier gas supplies and prices must reflect these much higher costs.

Fourth, a sensible approach to pricing is vital if we are to achieve a proper balance of supply and demand, as between all consumers of gas. For industrial and commercial customers it has been the long-standing policy of the British Gas Corporation to sell gas at a price broadly related to that of the competing oil product. The Government endorses this policy. The only alternative would be some form of arbitrary rationing and the risk of ever-increasing supply shortages.

Fifth, artificially low prices concentrate the benefits of access to gas supplies at the expense of the rest of the population. Correct pricing is essential to some of the financial proceeds from our natural gas resources are to be secured for the benefit of the nation as a whole.

Even the Price Commission in their report last July, before recent oil price increases, concluded that domestic tariffs should be 30 to 35 per cent higher in real terms.

Against this background, and the background of soaring world oil prices, we have set the target of 9 per cent on net assets valued at current cost.

The target is related to current operating profit after taking account of depreciation but before interest and tax. It will be adjusted if necessary after introduction of the new current cost accounting standard.

The target rate of return is expressed as an average over three years: the actual rate of return is likely to be about 9 per cent at first, but will increase progressively over the period.

Details of the tariff changes necessary to achieve this target for British Gas. However, in broad terms the Government expects domestic gas prices to rise by about 50p a week over and above the rate of inflation, followed by comparable real increases in the following two years.

Against the same criteria of economic pricing, electricity prices will also rise, though the expectation is that this will be less than in the case of domestic gas.

The target for the electricity supply industry in England and Wales has been set at an average annual rate of return of 1.8 per cent on net assets valued at current cost—again over the three years 1980 to 1983. As in the case of gas, details of tariff changes are a matter for the industry.

Prices are likely to increase over the three-year period of the target by about 5 per cent over and above increases in the rate of inflation, with fuel costs the biggest element.

The Government has asked both the gas and electricity industries to phase this year's increases in two stages, one in April and another in October.

Mr David Owen, Opposition spokesman on energy (Plymouth, Devonport, Lab)—Against a background of spiralling domestic inflation these, are astronomical increases. Every family will be severely affected.

Fuel, light and power represent 6 per cent of an average family income. It is over 10 per cent for people who have an income of 20 per cent below average. This

severe blow demonstrates the appalling economic meanness of the abolition of the electricity discount scheme.

Mr Howell—There has been a 100 per cent increase in world crude oil prices in the past year. This necessarily means a major adjustment for all of us. The needs of the poor and the old are fully recognised in government social policy.

The electricity discount scheme was only for electricity consumers. It was generally recognised as an ad hoc scheme because it spread benefit widely even to those who did not need it.

Bills vary widely, but the broad effect over the year will be an increase in family gas and electricity bills of rather less than the total of inflation plus the 10 per cent because the second 10 per cent will not come until October.

Mr Trevor Skeet (Bedford, C)—The real price of gas between 1970 and October 1979 has fallen by a third.

Mr Howell—He is right that even after these increases Britain is likely to have the lowest domestic electricity tariffs in Europe.

In reply to Mr Arthur Lewis (Newham, North-West, Lab) he said that nationalised industries were obliged to follow the code of conduct on cutting supplies from the aged, sick, blind, and those on social welfare.

There have been complaints (he continued) about the way the code is used and he was reviewing the way it is being applied. It is an independent review.

An average quarterly domestic bill now stands at about £4. Next year it will be £7 more. About £4 of this will be due to inflation and the other £3 to a real increase in gas prices. Average bills next year will be 50p a week higher.

Mr Wedgwood Benn (Bristol, South-East, Lab)—Everyone knows there are many ways of conserving gas supplies without imposing a savage tax upon the poorest consumers many of whom will be driven to discomfort and poverty.

This will increase industrial costs for those firms that depend upon fuel and will lead to difficulties in exporting and maintaining employment at home.

Mr Howell—The idea that holding down gas prices is the best way to help the poorest is a silly proposition. It helps the rich and the efficient ways, and ways the Government is best up to, of helping the poorest, particularly when faced with the hardship of high energy prices. Industry is clamouring for more gas, an increase in the price of gas would prefer to move from oil to gas. It is BCC policy, which the Government endorses, to relate the price of gas to the price of oil.

Mr Gordon Wilson (Dumfries, East, Scot Nat)—This will have a great effect on those areas in Scotland and the north which are rich in coal. The price of coal is a result of the hypothesis.

Mr Howell—We will develop our social policies in the light of the impact of the high cost energy era. With us.

## African forces 'not external interference'

The presence just across the Zimbabwe-Rhodesia border of a small contingent of South African forces could not be said to be foreign involvement, Sir Ian Gilmore, the Lord Privy Seal, said during questions.

Mr Sydney Chapman (Chipping Barnet, C) had asked the Lord Privy Seal to make a statement about the progress being made towards a ceasefire and new elections in Zimbabwe-Rhodesia following the appointments of Lord Soames as Governor.

Sir Ian Gilmore (Chebanus, Amersham, C)—The ceasefire in Rhodesia came into effect at 00.01 on December 22, the Rhodesian forces disengaged and deployed to the vicinity of their company bases. Some 20,000 members of the Patriotic Front have subsequently gathered with their arms at designated assembly points. A number of breaches of the ceasefire have occurred. These have mostly been attributable to elements of Mr Mugabe's forces. The Government has taken appropriate steps to deal with breaches of the ceasefire in accordance with the Lancaster House Agreement.

Cross-border liaison arrangements have been made between the monitoring force and the defence forces of Zambia, Botswana and Mozambique. These are working satisfactorily. Zambia and Mozambique have opened liaison offices in Salisbury.

The House will wish to pay tribute to the skillful and courageous performance of the monitoring force during this difficult period.

The Governor has announced that elections for the White Roll seats will take place on February 14, and those for the Common Roll seats on February 22-23. Registration of parties for the elections will take place on January 14, and nominations close on January 21. The election commissioner and his staff are supervising preparations for the elections.

Mr Chapman—He should give some assurance about how the administration intends to deal with possible intimidation of voters, particularly in the scattered rural areas.

Sir Ian Gilmore—Intimidation is forbidden by the Lancaster House Agreement. It will be for the Governor and his staff to see that intimidation does not happen.

It would be impossible to completely abolish it, but the Governor will do everything in his power to see it is kept to a minimum.

Mr James Evans (Aberdare, Lab)—Can he ensure that South African troops have withdrawn from Zimbabwe and if they are there they will not be allowed to interfere with the election process?

Will all the parties in the election be allowed to have access to the ballot box, especially those of the Patriotic Front?

Sir Ian Gilmore—I cannot assure the House that all South African troops have been withdrawn because the Governor has reviewed the situation and has decided that a small contingent of South African forces is required to guard the Beit bridge which is half South African and half Rhodesian.

An official from the BBC has been visiting Zimbabwe and the Governor is obviously observing the situation with interest. The issue is laid down in the Lancaster House Agreement.

Mr Peter Emery (Hendon, C)—He should raise again what seems a small problem, but one which

has been built up to major proportions: that is the small contingent of South African forces on one side of the bridge.

Would it be possible to have a Commonwealth monitoring force, subject to the fact that the matter is vastly exaggerated in the eyes of many coloured people?

Sir Ian Gilmore—I agree this matter has been greatly exaggerated. We made clear at the Lancaster House conference that there would be no external intervention or involvement in Rhodesia. We are in touch with the Governor to ensure this is so.

I cannot accept that a small South African presence to defend itself from a small external interference (Labour protest). There is a monitoring force close to the bridge which monitors what goes on.

Mr Peter Shore, Opposition spokesman on foreign and Commonwealth affairs (Tower Hamlets, South-East, Lab)—The House will welcome the progress made so far towards this difficult goal of achieving a peaceful settlement and to make the first important steps towards holding elections which we trust will be a success.

This question of the Beit bridge is difficult. It is a crucial installation and it must be properly protected. There must be no doubt about that.

A specific pledge was given at the Lancaster House conference in December 1979, and in this House, that there would be no foreign forces in Rhodesia.

In favour of either using the Rhodesian security forces to safeguard the Rhodesian side of the Beit bridge, or a Commonwealth monitoring force, or other forces available.

There is legitimate and reasonable sensitivity about this. In the case of the Beit bridge, the pledges he has given in terms of the ceasefire arrangement, is he satisfied no infringement is taking place?

Sir Ian Gilmore—One figure puts a good deal of the reports in perspective. The total number of people killed in Rhodesia since the ceasefire was 10. The number killed daily before the ceasefire.

That again is cause for congratulation to all concerned. The Governor, the monitoring force, the Rhodesian forces, and the Patriotic Front.

I cannot accept that the presence just across the border of a small contingent of South African forces can be said to be a foreign involvement in Rhodesia.

Mr David Steel, Leader of the Opposition (Leamington, Salts and Peables, L)—The Government should look at this again. This is a provocative irritant in an otherwise peaceful situation. It should receive more and more grant and less spenders less and less.

Second, the resources element operated by giving the Government the right to reduce local government expenditure and employment.

The settlement was based on a logical extension of economic principles. The plan was to phase a reduction of 24 per cent over two years. With careful planning and the cooperation of the local authorities, this level should not have a serious effect on services.

He had made clear to local authorities that a cash limit must be imposed. The Government would provide no more cash. Local authority employers and trade unions would have to negotiate to ensure that the cash limit was within this cash limit—for excessive settlements would result in reductions in employment, services and other burdens on the ratepayers.

He intended to change the present grant machinery which was not adequate to meet the needs of the local authorities. An assessment methodology which assumed that actual expenditure would be reduced by 24 per cent would receive more and more grant and less spenders less and less.

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## Local councils to get block grants as further move to cut expenditure

In the absence of economic growth, the Government had no choice but to ask local authorities to continue the relative downward trend to which the last Labour Government subjected them, Mr Michael Heseltine, Secretary of State for the Environment (Hendon, C), said when he moved the Rate Support Grant Order 1979 in the House.

He said this settlement was central to their economic strategy and represented their main means of influencing local authorities' rating and spending decisions.

It came at a critical time since local authorities now accounted for over a quarter of public expenditure. Reduction of public expenditure was a central imperative of the present economic situation.

Local government direct current spending in real terms had doubled between 1955 and 1978, whereas its direct capital investment was only about one-third higher. In 1978 local authorities employed 1,600,000 people, but by 1979 the figure was an astonishing 2,000,000, with almost continuing growth year by year.

The basis of local government finance encouraged expenditure on each authority had first to establish the minimum which of its employees was engaged in.

Secondly they had to find out the cost of each service. Each authority had to control the recruitment to each authority under direct political control so that the authority left there was no automatic assumption that the vacancy was filled.

In present circumstances they could not afford and had no choice but to reduce local government expenditure and employment.

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the finance of local government was finite. All that was at issue was which authority got what proportion of that finite pool. He said that the Government expected the majority of local councils to cut back if they knew that the only consequence of their economy was that other more profitable councils simply got more.

He proposed therefore to replace the current grant machinery. His proposals for a new block grant would be included in the Local Government Bill shortly to be laid before the House.

Block grant was designed, as in the case of the new system of comparable standard of service for a similar rate in the pound but it would do so directly through a single grant paid to each authority. This would be sufficient to bridge the gap between expenditure and the product of a standard rate poundage on rateable resources.

This was not open-ended. Standard rate poundages would be determined on the relationship between actual expenditure and an assessment of standard expenditure. The Government would provide great support at a constant rate for expenditure up to the level of assessed standard expenditure, but the more an authority spent above that level the greater the proportion it must raise from its ratepayers.

He wanted to see developed, in consultation with local authorities, a new system of assessing authorities' standard expenditure which would be comprehensible, stable and equitable.

It would be much easier for the wider public to understand—a single grant to bridge the gap between expenditure and the product of a standard rate poundage on rateable resources.

The new system would limit the extent to which a high-spending authority could take grants away from other authorities.

The legislative timetable would need to be revised. The bill introduced until 1981-82, but because of the need to tackle over-spending now, his legislative proposals would be revised to amend the current grant system, as a transitional step.

These would allow adjustments to be made to authorities' grant settlements at increase order stage next year where there was evidence of serious and sustained over-spending.

Grant settlement would be made only to resources element entitlements, except in the case of a serious and sustained over-spending. The Government would be able to make a fair rate support grant settlement and would make every contribution it could. It was being fair, and realistic, though tough.

We are not prepared (he said) to continue with a system which rewards high spenders and penalises low spenders. The Government is determined to remove from local authorities the maximum autonomy. The order was approved by 305 votes—257—Government majority, 48.

He accepted that because explicit evidence of harm by pornography was not always proved, that did not mean that pornography was done by pornography in terms of cultural pollution, moral deterioration and the undermining of compassion, values and institutions.

The Government were sympathetic towards the private members' Bill in the Commons on the law against pornography. The Government would accept the proposals presented by the Williams committee.

Surely a thing could be vile in itself, and not because of the way it was presented. The Government should proceed with great care and caution, and ponder seriously before accepting the report.

Lord Gardner (Lab) said he had read the report of the Williams committee and was struck by the proposals for the proposal involving films.

The proposals as a whole were good. They would give protection to the public and would not prohibit a number of things which could be done at present. They would restrict offences and change the face of who was prosecuted.

The Bishop of Durham said he welcomed the report and liked its general tone but a recommendation he found most alarming was that there should be no restriction on the written word.

Lord Trammie (C) said that after 10 years which had seen substantial rises in convictions for rape and crimes of violence, now was not the time to take the risks such as advocated in the Williams report.

As a Christian nation (he said) we have a duty to clear up the moral filth in our cities and to stamp out those who excite lust, perversion and violence.

The Earl of Longford (Lab) said he found the conclusions of the Williams committee to be intellectually coherent at crucial points. The report was likely to cause serious moral damage if ever adopted.

Mr Roy Hattersley (Birmingham, Sparkbrook, Lab), opposition spokesman on the environment, said Labour members could give examples of the damage in country and metropolises areas where what was proposed and what was being done was resulting in a damaging and dangerous reduction in services.

The Government's intention regarding the transitional arrangements was to impose on individual local authorities a spending ceiling. It proposed to impose that ceiling by use of powers which it did not at present possess.

He was a supporter of cash limits. Properly applied they were a necessary element of financial prudence. The Government had made an artificially low expenditure estimate so that an artificially low ceiling could be set as a further, or disguised, cut.

If he approved of this definition he was imposing a surreptitious policy on the local authority sector.

The main sufferers would be London in general and inner London in particular. A number of London boroughs such as Hackney, Hammersmith and Islington, which were in desperate social, environmental and financial need would be the hardest hit.

Cuts should fall on the shoulders of people most able to bear them, specifically the people who benefited most from the Government's income tax reductions.

Mr Kenneth Marks (Manchester, Gorton, Lab) said they were building a new system of an off-budget rating system and out-of-date rateable values which were completely out of date.

Mr Gordon Oakes, an Opposition spokesman on the environment (Widnes, Lab), said it was significant that the debate coincided with the announcement of swelling gas and electricity price increases, all of which would affect local authorities severely. The effect of the rate support grant would be twofold. Local authorities, Labour and Conservative, would try to reduce expenditure. They would have to.

They would also introduce a lower level of services. At the same time the Government would raise rate rises that had ever been known.

Mr Tom King, Minister for Local Government (Bridgewater, C), said proposals for dealing with the surplus on the housing revenue account would be made shortly.

There would be no consultation paper on the proposed subsidy system and separate proposals would be put forward as to how any surplus could be used.

The Government would make a fair rate support grant settlement and would make every contribution it could. It was being fair, and realistic, though tough.

We are not prepared (he said) to continue with a system which rewards high spenders and penalises low spenders. The Government is determined to remove from local authorities the maximum autonomy. The order was approved by 305 votes—257—Government majority, 48.

He accepted that because explicit evidence of harm by pornography was not always proved, that did not mean that pornography was done by pornography in terms of cultural pollution, moral deterioration and the undermining of compassion, values and institutions.

The Government were sympathetic towards the private members' Bill in the Commons on the law against pornography. The Government would accept the proposals presented by the Williams committee.

Surely a thing could be vile in itself, and not because of the way it was presented. The Government should proceed with great care and caution, and ponder seriously before accepting the report.

Lord Gardner (Lab) said he had read the report of the Williams committee and was struck by the proposals for the proposal involving films.

The proposals as a whole were good. They would give protection to the public and would not prohibit a number of things which could be done at present. They would restrict offences and change the face of who was prosecuted.

The Bishop of Durham said he welcomed the report and liked its general tone but a recommendation he found most alarming was that there should be no restriction on the written word.

Lord Trammie (C) said that after 10 years which had seen substantial rises in convictions for rape and crimes of violence, now was not the time to take the risks such as advocated in the Williams report.

## Olympic Games: talks next week

Sir Ian Gilmore, Lord Privy Seal, said at a question time that he appreciated what an MP had said about the advantage of finding another venue for the Olympic Games, although there were many difficulties as notice was short.

The matter was raised by Mr Toby Jessel (Richmond upon Thames, Twickenham, C) in a question about Sir Ian's meetings with his EEC counterparts.

Mr Jessel said: Will he make a special effort to have some further discussion about the question of whether the Olympic Games should be held at some venue other than Moscow to see whether his European counterparts feel the same way about it, even if this means postponing the games?

Surely the disappointment that will be felt by a few thousand

athletes must be seen as a minor matter compared with the possible effect upon Russian public opinion that withdrawal would have, which might help to prevent a third world war. Surely the Government is not without influence in this matter as it contributes to the cost through the Sports Council.

Sir Ian Gilmore—It was agreed at the meeting that the Government would take place in the matter relating to Afghanistan should be considered next week in Rome. The decision about the Olympic Games will take place.

I appreciate what he says about the advantage of another place being found although there are many difficulties about such a thing as notice is short. Other countries like us do not control their Olympic committees.

Mr Peter Tapsell (Horncastle, C)—There is a widespread sense of disappointment at the reports of the EEC meetings yesterday. Will the Government urgently examine with its allies measures in which we can take decisive counter-action against Russian influence in all parts of the world as an unmistakable demonstration of our refusal to march along the path of the 1930s.

Sir Ian Gilmore—I appreciate there is some disappointment as to what has been achieved so far. The decision about the Olympic Games will take place.

The Foreign Secretary is at present touring the area adjacent to Afghanistan. He returns at the end of the week. We shall be consulting as to what further measures should be taken.

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## HOME NEWS

## Cell deaths inquiry is not justified, policemen's leader says

By Peter Evans  
Home Affairs Correspondent

Mr James Jardine, chairman of the Police Federation, yesterday attacked a "most unwarranted and unsubstantiated" inquiry into the deaths in police custody over the deaths in police custody. Speaking to a federation meeting in Coventry, he rejected demands for a government-appointed public inquiry.

He said: "There is nothing in the figures which even begins to justify the campaign which is now being waged in the press and which is about to be launched in Parliament."

He said that certain MPs and newspapers had seized on an understandable public anxiety about the deaths of Liddle Towers, James Kelly and Blair Peach (who was not in custody) to suggest there was something sinister about the number of deaths in police custody over the past 10 years.

"No matter how there has been no public complaint about any of them; no matter that the cause of death has been determined in more than 90 per cent of the cases by public inquiries; it is enough to suggest that because these deaths happened in police custody there is a possibility that they were caused by the police," Mr Jardine said.

"I say it is a vicious attack on the integrity of thousands of police officers who have had responsibility for making arrests and for the custody of prisoners."

Every force had specific standing orders setting out the responsibilities of duty officers and officers in charge of police stations.

The question of what went on in police cells was under careful supervision.

"Let us bear in mind also that police cells, every day of the week, are seen by defence solicitors, by probation officers and relatives of prisoners."

The federation's objection to a public inquiry was that

it would be a forum for making outrageous allegations, completely unsupported by evidence, and for police officers as a body and individuals to be pilloried.

"We are not going to support the idea of individual members of the police service being put up to be bombarded with mud in the hope that some of it might stick. We do not need to be told by anyone that even one death caused by police violence is one too many."

Because the Director of Public Prosecutions had declined to prosecute so far it could not be concluded that he was not a fit and proper person to decide whether a police officer should be prosecuted.

Mr Jardine said it could be estimated that over a 10-year period about four million people had been in police custody, of whom 245 had died, a mortality rate of 6.25 per 100,000.

In all but 20 cases coroners' inquests had determined the cause of death. Where no inquest had been held there had been a decision by the coroner on the basis of substantial medical evidence.

Mr Michael Meacher, Labour MP for Oldham, West, who was criticized by Mr Jardine, referred last night in reply to the deaths of Mr Kelly, Mr Towers and Mr Peach: "If we knew more about the other cases would we be talking of just three, or six or twelve or twenty or what? The truth is, no one knows."

Mr Meacher said he was not running a scare campaign, but "we know about James Kelly and Liddle Towers. For all we know they may be something similar that has happened."

That was why he wanted more facts. According to the police version and the way deaths were categorized, he said, Mr Kelly's death would have gone down as "heart-attack: natural causes".

Letters, page 15



Lydia Kirk, aged 24, Winchester Cathedral's first woman stonemason.

## Conveyance classes to cut house sale cost

By Robin Young  
Consumer Affairs Correspondent

Britain's first school of do-it-yourself house conveyancing was launched yesterday at the House of Commons.

The British School of Conveyancing will offer evening tutorials in a hired hall at Sidcup and correspondence courses, and claims that it will enable its students to save between £500 and £800 on the legal costs of buying and selling their homes.

Mr Kenneth Weetch, Labour MP for Ipswich and a fierce opponent of the solicitors' monopoly in conveyancing, said that the costs of moving house in 1980 were "horrific". It would cost more than £2,000 to exchange homes priced at £30,000 even if the move was over the counter. Conveyancing charges alone would be over £700.

Mr Weetch said the recent report of the Royal Commission on Legal Services, recommending a tightening of the closed shop, was a "stunning body blow" to those who want to see a system of low cost conveyancing.

But he thought it would be difficult politically for the Government to bring in legislation restricting consumers' choice and strengthening a restrictive practice which already makes the plumber and his mate look like a high point of competition.

He said: "A vast number of people want to do their own conveyancing, and the school will give them the opportunity to do it under guidance, knowing they have someone to go to if they do get into difficulties."

Mr Watson, author of two textbooks on do-it-yourself conveyancing and the school's founder and principal tutor, said he had been offering an advice service for four years. Of thousands who registered, only one found a difficulty too complex to deal with over the telephone.

## Price regulations 'may prove unenforceable'

By Our Consumer Affairs Correspondent

Trading standards officers are concerned that government regulations to control dual pricing and bargain offers may prove unenforceable.

There have been complaints that unscrupulous traders are evading the provisions of the Price Marking (Bargain Offers) Order, 1979, which bans misleading price claims.

Mr Stephen Hardy, director of a furniture company in Nottingham, said he had evidence of rival retailers evading the legislation in four ways.

Some are continuing to quote price comparisons with manufacturers' recommended prices, he said. That was banned for beds last July and for domestic electrical appliances, consumer electronic goods, carpets and furniture on December 10.

Others have merely changed the name of 'manufacturers' recommended price' to 'normal price' and others again are quoting comparisons with totally spurious 'after-the-sale prices' which they will never charge.

"In some cases 'usual price' is actually defined in small print in the advertisements as a price that has been charged in just one day's trading at the company's branch in London. These prices could be completely artificial," Mr Hardy said.

Mr Geoffrey Hannibal, chief

trading standards officer for Nottinghamshire County Council, said: "At present we have not considered bringing prosecutions. We are more inclined to advise the trade. The order is very complex and even when we have studied it we cannot be certain that our interpretation is correct."

Miss Rosemary McRobert, director of the Retail Trading Standards Association, which represents principal department store groups, said: "Apart from straightforwardly banning comparisons with manufacturers' recommended prices in some sectors and outlawing vague and potentially misleading claims such as 'worth... or 'save up to... the rest of the order is unbelievably stupid."

"It has made the situation worse as regards sale prices, where a higher price is crossed out and a lower one substituted, because to show that an offence had been committed under the order the trading standards officer would have to prove that the trader had never once, even agreed a sale at the higher price. It is obviously impossible."

Mr Christopher Rogers, spokesman for the Institute of Trading Standards Administration, a professional association, said: "The feeling in the institute is that we have been lumbered with enforcing something nobody understands."

## Midwife shortage 'growing'

By a Staff Reporter

Maternity units in many areas of the country are inadequately staffed because of the lack of trained midwives and the situation is getting worse, the parliamentary social services committee was told yesterday.

The committee, which was considering perinatal and neonatal mortality rates, was told by the Royal College of Midwives that the shortage had been exacerbated by recently introduced longer holidays and the shorter working week.

The midwives were demanding a 37 1/2 hour week which would worsen the shortage.

Miss Ruth Wilday, a member of the college's council, said that the service had been run on the goodwill of the midwives long enough. Many worked much longer than the 40 hours they were supposed to, and because of the financial difficulties of the service, did not claim overtime or time off in lieu.

Miss Joyce Beak of the college said that midwives could help to bring down the perinatal mortality rate if they were allowed to contribute more to antenatal care.

## Couple lose action on children's education

From Our Correspondent Great Witely

Geoffrey Harrison, aged 41, and his wife, Iris, aged 37, were convicted by magistrates at Great Witely, Hereford and Worcester, yesterday for failing to comply with school attendance orders in respect of three of their children. They were granted an absolute discharge.

Mrs Harrison, who has been leading a campaign for the right to educate children without interference from the local authority, said last night that she would appeal. She would not be sending her children to a state school.

The Harrisons live on a remote smallholding near Tenbury, Wells and said during the hearing that they were educating their children by a progressive method known as the "autonomous system", in which the children are encouraged to learn by themselves rather than being formally taught.

Hereford and Worcester County Council had placed attendance orders on Andrea, aged 15, Grant, aged 14, and Newall, aged 10.

Mr Colman Treacy, for the County Council, said it was the view of the authority that the Harrison children were lacking in their knowledge of formal school subjects and were having no education at all in the recognized sense.

Mr Ivan Gefen, for the defence, said the Harrisons' methods of teaching were designed to make the children self-reliant, confident, capable and mature individuals.

"The authority takes the view that there is only one kind of education. If this view is accepted it will be a sad day. There are relatively few parents who would be prepared to take such a deeply principled stand. That is why there has been no legal precedent in a case of this kind since the Education Act was introduced in 1944."

## Public school comes under scrutiny in TV series

## Here the corridors of power begin

By Diana Geddes

The most intimate, detailed and objective account to date of one of Britain's most controversial institutions, the public school, starts today in a series of 10 30-minute television documentaries on BBC 2.

Life at Radley College near Oxford, one of Britain's top 10 public schools, of which both Mr Mark Carlisle, Secretary of State for Education and Science, and Peter Cook, the comedian, are old boys, were filmed in the Easter and summer terms last year.

The opening film tells viewers the importance of schools like Radley is disproportionate to their numbers. Only 5 per cent of boys go to public school, but that 5 per cent dominates nearly every major institution in the land, not least the Cabinet, composed entirely of ex-public school boys, with one exception the Prime Minister himself.

It is this predominance which arouses passions. Public schools are loved, hated, honoured and reviled. The present Government is pledged

to spend public money on sending talented boys from poor families to schools like Radley. At the moment fees are nearly £3,000 a year which ensures that few of today's pupils are of lowly social origin.

Mr Denis Silk, the headmaster, who courageously agreed to the filming of every detail of the school's life, including the more sensitive issues of homosexuality and alcohol abuse, said that he had seen six of the '10' programmes and believed that they were "a very fair representation of the humdrum life of a school".

"I think Richard Denton, the producer, has tried to find the heartbeats of Radley. That's damn difficult to do when you are trailing round a television crew with you, but he's achieved the next best thing. Don't expect any fireworks; a documentary isn't supposed to titillate, but rather simply to show what's going on."

Turning to the assisted places scheme, Mr Silk said that he planned to tell the Government that he was prepared to help in any way he

could, even if necessary by taking in day-boys. Radley has only boarders at present. The Government's proposed scheme would help only with tuition fees at independent schools.

Mr Silk, who is the son of a poor medical missionary and a former scholar at Christ's Hospital, said: "I've known poverty, but I've been damn lucky. And I would like the kind of education we offer at Radley to be available to every child in the country, regardless of their parents' income."

In the opening film, Mr Silk is seen giving a pep talk to a group of new boys in the college chapel: "We regard this side (indicating the chapel) of what we do here as the most important side of all. You will spend a small part of each day in here. But the real religious life begins when you walk out of that door."

"Some of you may be blessed with good brains, others not. That doesn't matter two pence: it's how hard you try. You come to school for one thing—to acquire the right habits for life."

## Boy was crushed to death by giant snowball

From Our Correspondent Telford

A schoolboy aged seven was asphyxiated, trapped under a huge snowball, according to a pathologist's report at a Salsbury inquest yesterday. The inquest was adjourned.

Anthony Bowers, of Leighton, Lawley Bank, Telford, died despite neighbours' efforts to revive him.

His brother, Stephen, aged 10, and their friend, Ian Brice, also 10, built the snowball. Police said it was about 5ft in diameter, and the boys began to roll it down an incline on Lawley Common.

Anthony appeared to have slipped beneath the snowball, which weighed about three hundredweight. The other boys broke up the snowball but found Anthony unconscious.

## Football ground murder charge

Barry Rouds, aged 19, of Fleming Mead, Mincem, London, was remanded in custody until tomorrow week by the Cardiff stipendiary magistrate yesterday charged with the murder of a Swansea man.

He was charged with the murder near Cardiff City football ground of Mr David Williams, aged 31, a labourer, of Maytree Avenue, West Cross, Swansea. Seven men from the London area will appear before the stipendiary magistrate today charged with causing an affray near the ground on Monday.

## Football chiefs rail bid fails

Stuart Dryden, aged 53, chairman of Nottingham Forest Football Club, who was jailed for six months for obtaining £62 by deception yesterday, died in an apparent heart attack while applying for bail pending appeal against sentence. The application was made to Judge Justice Peter Pain in chambers at Lincoln. He has decided to refer the matter to the Court of Appeal.

## West Indian girls do well in school, study shows

By Frances Gibb

West Indian schoolchildren, particularly girls, pull ahead as they go through school and do better in later years than their English classmates, an article published today says.

Dr Geoffrey Driver, a research fellow at Leeds University, argues that his study refutes the "accepted wisdom" that West Indian children do not do as well at school as they could.

He comes up with a new pecking order of achievement among schoolchildren, with West Indian girls first, then English boys, followed by West Indian boys and lastly English girls.

The article, in *New Society*, comes just after the publication of the National Children's Bureau of a survey showing that second generation immigrant children do as well as, if not better than, than indigenous children from similar home backgrounds.

## More comfort offered on inter-city coaches

By Michael Bailly

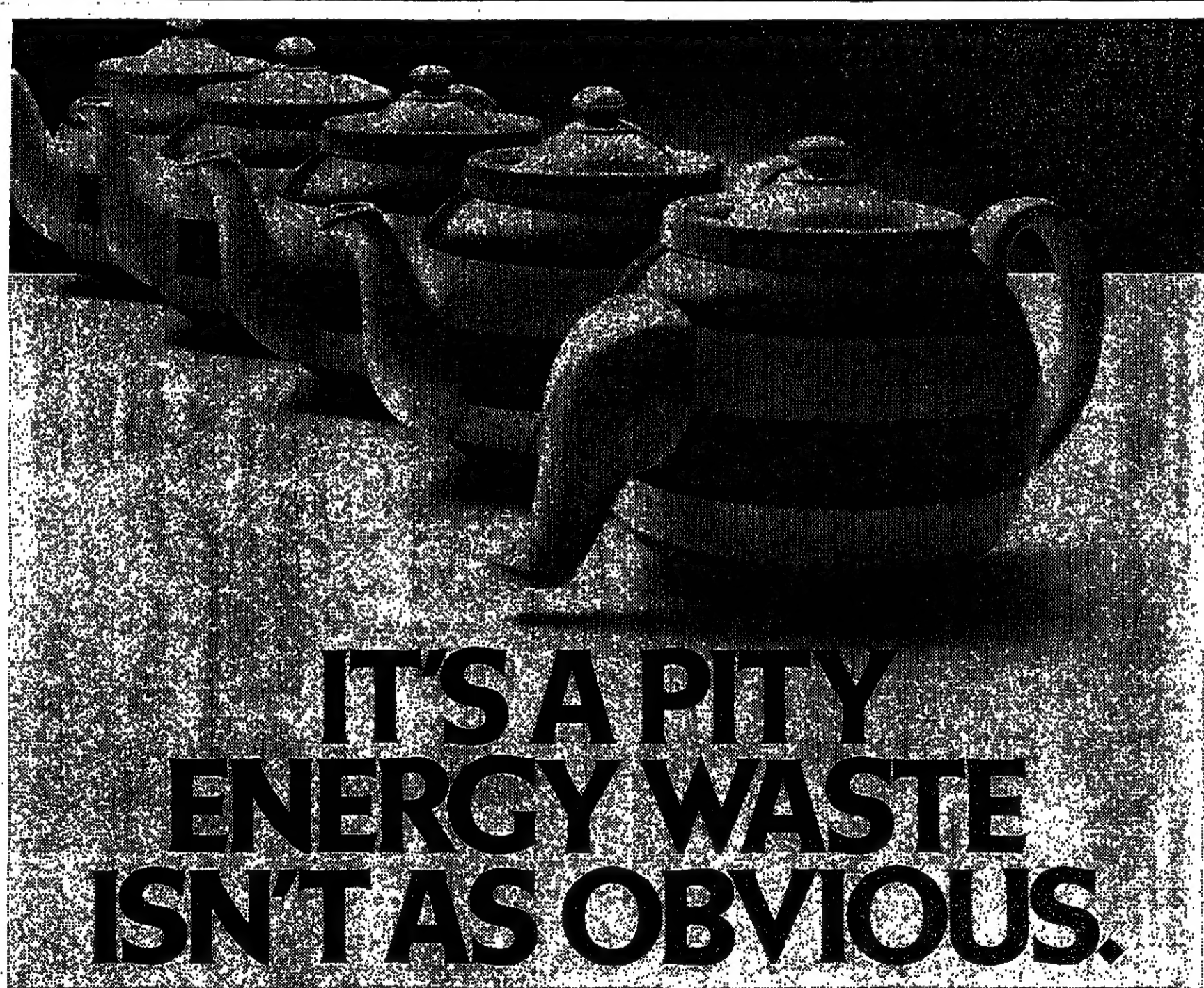
Transport Correspondent

National Express inter-city coaches, which lost over a million passengers since British Rail launched its highly successful cut-price railcards for students, pensioners and families, is to fight back with more comfortable coaches, a more sophisticated network of interchanges, and a six-figure advertising campaign, the parent state-owned National Bus Company disclosed yesterday.

There will be no price war; coach fares are going up by 15 to 20 per cent this year and the days of road travel costing only half the rail fare are long past, the bus company admitted, although coach travel is still cheaper on many routes and substantially so on some.

The present ten million passengers a year on 2,000 inter-city coaches could be increased if only more people would try it, market research has shown. A Disney-style frog will be appearing from the television screens to "Hop off with National Express".

An unexpected finding of consumer research is that the elderly make up only 16 per cent of coach traffic. The young account for over half. Vigorous competition from private coach operators is expected as a result of the Transport Bill. But National Express, with the advantage of a coach network of 600 routes linking about every town in the country, regards that as a sputter rather than a threat. Mr John Birks, controller, said in London yesterday.



## IT'S A PITY ENERGY WASTE ISN'T AS OBVIOUS.

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DEPARTMENT OF ENERGY 173

MAKE THE MOST OF ENERGY



## HOME NEWS

# Saving of £11.6m is expected in loss of 246 'quangos' after review of 2,117 organizations

By Peter Hennessy

The results of the Prime Minister's long awaited attack on secondary bureaucracy, the non-departmental public bodies (popularly known as "quangos") whose growth has mushroomed in the past decade, were announced in a White Paper yesterday. Of the 2,117 organizations examined, 246 will disappear, 3,700 ministerial appointments and 250 permanent posts will be terminated, achieving a total saving of £11.6m.

No bodies will be established without the closest scrutiny and the policy of "hiving off" government functions to agencies like the Manpower Services Commission, recommended by the Fulton report of 1968, has been abandoned. The 1,871 organizations that have survived will be subject to sharper examination from the Comptroller and Auditor General, Parliament's spending watchdog, and the new select committee of the House of Commons.

The review of non-departmental public bodies was conducted, on behalf of Mrs Margaret Thatcher, by Sir Leo Pliatzky, former Permanent Secretary at the Department of Trade. It took three months and cost £35,000. It offers ministers scope for a further reduction in coming months of about 3,500 ministerial appointments and an extra 250 permanent jobs.

The next stage is likely to bite most deeply into the committee structure of the Manpower Services Commission. Thought was given to returning the functions of the commission to the Department of Employment. Mr James Prior, Secretary of State for Employment, ruled out such a move as it would have increased the TUC who set great store by the commission in its present form. Mrs Thatcher accepted that view.



Sir Leo Pliatzky: Questions for future reviews.

The largest financial saving of £7.35m will come from bodies controlled by the Department of Trade, like the Price Commission and the Metrication Board. Their disbandment has already been announced. The biggest change disclosed for the first time in yesterday's White Paper is the merger of the White Fish Authority with the Herring Industry Board.

Other big savings will come from areas within the purview of the Department of the Environment (£1.55m), the Department of Health and Social Security (£500,000) and the Department of Employment (£454,000). Cuts in the combined budgets of the 2,117 bodies examined, totalling £350m, have already been announced.

Sir Leo's analysis distinguished three types of public organization: executive bodies, like the Location of Offices

Bureau; advisory bodies, like the Army Education Advisory Board, and tribunals, such as the Irish Pensions Appeal Tribunal (all examples of bodies that are to go). In the executive category, 30 bodies will disappear or be merged with others, 211 advisory bodies will be wound up and five tribunals discontinued.

It is recognized in Whitehall that the savings achieved by the Pliatzky review are tiny when set alongside a total annual public expenditure of £70,000m. Emphasis is placed, however, on the changed climate which will, it is claimed, prevent a further proliferation of creeping bureaucracy and on the greater financial stringency and scrutiny that Sir Leo believes necessary for organizations that are generally immune from market forces.

Sir Leo notes that excessive scrutiny might act as "a fresh deterrent to public service" and his report is explicit about the persistent difficulty of making permanent secretaries experience in finding people of sufficient calibre to fill vacancies on public bodies.

Sir Leo who retires from the Civil Service at the end of the month, has left a list of questions for the Civil Service Department, which will carry on his work, to put before ministers in future reviews of public bodies. They are:

- 1 Is the function which is being carried out essential? Or, if not, is it valuable enough to justify the time and money spent on it?
- 2 If the answer is that the function is either essential or sufficiently valuable, is it best carried out by the non-departmental body in question rather than by another means?
- 3 Is it being carried out well and economically?
- 4 Conversely, would there be any substantial loss or disadvantage if the body were wound up?

Report on Non-Departmental Public Bodies (Stationery Office, Command 7797), £5.75.

## Investigation urged on poisoning of birds

By Pearce Wright  
Science Editor

An investigation into how organic lead was dispersed along the north shore of the Mersey estuary, killing more than 2,000 curlew, redshank, dunlin waders, gulls and ducks, is being requested by the Royal Society for the Protection of Birds.

The need to discover if the hazard has passed will be put to a meeting on Monday in Liverpool of scientists from Government laboratories, the North-West Water Authority, the Associated Oriel Company and members of the society's research department.

Mr Ian Prest, director of the society, said it was the first time an industrial pollutant had caused such damage to an important natural feeding ground. The shore opposite to the one on which most of the birds were washed up contains the Ioca Bank, a site of international importance for wildfowl, particularly curlew of up to 30,000 teal and pintail.

Concern about dispersion of such a toxic substance was thus understandable and the risks to other areas should be determined.

An unfortunate side issue was the water authority's original reluctance to accept the possibility that the poisoning came from the river into the food chain of wildlife when the mortality was at its peak in November, Mr Prest said.

However the authority in a statement this week, has accepted that much of the lead present is tri-ethyl, which is used as a petrol additive. Analysis of the tissues of birds has shown concentrations of lead between 10 and 40 times higher than normal.

## Anarchist trial jurors complain about judge

By Annabel Ferriman

Four of the jurors who were criticized by Judge Alan King-Hamilton, QC, for returning a verdict of not guilty in the recent anarchist trial have written to Lord Haleham, the Lord Chancellor, complaining about the judge's "insulting" remarks.

The letter states: "Not only did he criticize our verdict, but his remarks cast aspersions on our integrity as jurors and on our intelligence as people. We took our role very seriously and, as our oath obliges us to, considered the case according to the evidence produced in court before us."

The jurors point out that the trial of Ronan Bennett, Iris Miller and Gordon Lauder, three months and three days, was a time-consuming service, it was one we were willing, as citizens, to provide.

"It was, in our view, reprehensible of the judge to criticize us publicly on two occasions. We had no equivalent opportunity to air our views about his remarks. Though he made his remarks in open court in the full knowledge that they would be reported, he told us not to talk to the press."

"As a direct result of the judge's remarks, some jurors have, since the trial, found themselves under considerable strain and pressure."

The four jurors, who did not take one another's addresses during the trial and have just managed to trace one another, ask for an explanation as to why the judge was allowed to make his remarks and for an assurance that, in future trials, jurors will not be subjected to the same treatment.

They say: "We feel that such treatment would lead to an unhealthy reluctance on the part of the jury to make their own verdict according to their conscience, and instead put them under pressure to attach too much importance to the judge's indication of the view of the jury or innocence of the defendants."

They object to the fact that they were not told in advance they were going to be vetted and asked for an undertaking that the fact they returned a verdict of not guilty would not be recorded against their names in police files.

A spokeswoman for the four jurors said yesterday that they struck by their verdict, despite the evidence that came out at the trial of Mr Stuart Carr, another anarchist, which the judge had made them sit through the day after the original trial ended.

That evidence had not come out before, and they had not known about it, so it was irrelevant to their decision. If it had been brought out during the original trial, the defence counsel would have questioned it. They had all felt angry and humiliated by the judge's remarks.

By Our Home Affairs Correspondent

A change of attitude is needed by courts towards petty persistent offenders the report of a seminar held by the National Association for the Care and Resettlement of Offenders says today.

If probation officers are to supervise more such people it says, courts will need to accept the probability of many petty recidivists returning soon on further, albeit minor, charges.

The seminar was attended by Sir Arthur Peterson, former police, academics, senior civil servants, educationists, probation officers, and representatives of other law enforcement agencies.

The seminar was held at the Home Office, which is the job of each monitoring post to report to group control, which would originate fall-out warnings and comes under sector controls linked with Nato. Buildings which house group and sector controls have been designed without windows and built to withstand blast and give protection against radioactivity. Each has its own standby services including power, ventilation, refrigeration and decontamination facilities as well as emergency food and water supplies.

The Central Office of Information has ready a series of short, informative films to be released in the weeks immediately before nuclear attack is expected.

One warns: "No place in the United Kingdom is safer than anywhere else. No one can tell where the safest place will be. In fact you will be far better off at home because it is where you are known."

The films depict the do-it-yourself approach to survival which, so far as the general population is concerned is what the British Government proposes.

Viewers are told that when fallout warnings sound people should seek shelter or, if caught completely in the open, lie down.

Entitled *Choosing a Fallout Room*, another film says that the safest place in a house is a downstairs room away from an outside door.

Next: Russian civil defence plans

By Craig Seton

An insurance company that refused a fidelity bond for a paint sprayer who was dismissed by a motor group as a result, said yesterday that it will reconsider his case if he submits character references.

The Kennen Motor Group, which requires all employees to be covered by fidelity bonds to ensure against dishonesty, had dismissed Mr Hans Weige from his £75-a-week job at its garage in Colchester, Essex.

Mr Weige, aged 34, a German, had been employed by the garage for two months. "Someone has slipped up here and it is up to the insurance people to publicly clear my name," he said yesterday.

Mr Weige, who said he had never been in trouble with the police, or in debt, or dismissed from a previous job, demanded that the Guarantee Society, a subsidiary of the General Accident Insurance Group, explain the reasons for not giving him cover.

Mr Weige, who lives at Wivenhoe, near Colchester, with his English wife and two children, said he had provided the Kennen Group with the names of two previous employers, one in England and one in Germany. The German company had given him "an excellent reference" but his English employer had not been approached.

The Kennen Group, which has admitted that Mr Weige was a "first-class worker", said last night that if the difficulty

during the trial and have just managed to trace one another, ask for an explanation as to why the judge was allowed to make his remarks and for an assurance that, in future trials, jurors will not be subjected to the same treatment.

They say: "We feel that such treatment would lead to an unhealthy reluctance on the part of the jury to make their own verdict according to their conscience, and instead put them under pressure to attach too much importance to the judge's indication of the view of the jury or innocence of the defendants."

They object to the fact that they were not told in advance they were going to be vetted and asked for an undertaking that the fact they returned a verdict of not guilty would not be recorded against their names in police files.

A spokeswoman for the four jurors said yesterday that they struck by their verdict, despite the evidence that came out at the trial of Mr Stuart Carr, another anarchist, which the judge had made them sit through the day after the original trial ended.

That evidence had not come out before, and they had not known about it, so it was irrelevant to their decision. If it had been brought out during the original trial, the defence counsel would have questioned it. They had all felt angry and humiliated by the judge's remarks.

By Our Home Affairs Correspondent

A change of attitude is needed by courts towards petty persistent offenders the report of a seminar held by the National Association for the Care and Resettlement of Offenders says today.

If probation officers are to supervise more such people it says, courts will need to accept the probability of many petty recidivists returning soon on further, albeit minor, charges.

The seminar was attended by Sir Arthur Peterson, former police, academics, senior civil servants, educationists, probation officers, and representatives of other law enforcement agencies.

The seminar was held at the Home Office, which is the job of each monitoring post to report to group control, which would originate fall-out warnings and comes under sector controls linked with Nato. Buildings which house group and sector controls have been designed without windows and built to withstand blast and give protection against radioactivity. Each has its own standby services including power, ventilation, refrigeration and decontamination facilities as well as emergency food and water supplies.

The Central Office of Information has ready a series of short, informative films to be released in the weeks immediately before nuclear attack is expected.

One warns: "No place in the United Kingdom is safer than anywhere else. No one can tell where the safest place will be. In fact you will be far better off at home because it is where you are known."

The films depict the do-it-yourself approach to survival which, so far as the general population is concerned is what the British Government proposes.

Viewers are told that when fallout warnings sound people should seek shelter or, if caught completely in the open, lie down.

Entitled *Choosing a Fallout Room*, another film says that the safest place in a house is a downstairs room away from an outside door.

Next: Russian civil defence plans

By Craig Seton

An insurance company that refused a fidelity bond for a paint sprayer who was dismissed by a motor group as a result, said yesterday that it will reconsider his case if he submits character references.

The Kennen Motor Group, which requires all employees to be covered by fidelity bonds to ensure against dishonesty, had dismissed Mr Hans Weige from his £75-a-week job at its garage in Colchester, Essex.

Mr Weige, aged 34, a German, had been employed by the garage for two months. "Someone has slipped up here and it is up to the insurance people to publicly clear my name," he said yesterday.

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## WEST EUROPE

## Controversy revived over location of European Parliament

From David Wood  
Strasbourg, Jan 16

Controversy over a single site for the European Parliament has been revived in party group meetings here today as tactical dispositions are made for a decision that has to be taken by the Parliament's President and group leaders tomorrow.

If in April or May plenary sessions are to resume in Luxembourg after more than a year, the Parliament's Managerial Bureau must decide tomorrow.

In Luxembourg the new "hemicycle" big enough to take the enlarged Parliament of 410 members, is being furnished. Flats for MEPs form part of the scheme.

By a one-vote majority the Socialist group, the strongest numerically, has decided that there must be only two parliamentary working places: one, for plenary sessions, in Strasbourg and a second, for committee and group meetings, in Brussels.

German Socialists with French support have roundly said that they will not attend plenary sessions in Luxembourg if the Managerial Bureau attempts to continue the system used by the defunct delegated Parliament.

British Conservatives in the European Democratic Group have before them a report from Mr Alan Tyrrell, QC, who argues that if the Parliament moves to Brussels, the Council of Ministers, to settle where the European Parliament should meet.

Feeling is strong that Brussels is the sensible site for the Parliament, but the controversy over the administrative headquarters

of the Parliament is in Luxembourg and most parliamentary officials live there.

A motion supported by a majority in the Socialist group demands that the Council of Ministers fix a permanent site by December 31, 1980, and it is likely to carry in Parliament.

Former prime minister Mr James Callaghan, leader of the European Democrats, gave a strong warning when the new Italian President of the Council of Ministers made his first appearance in the European Parliament.

He said that having rejected the Council's 1980 budget, the Parliament expected "full and complete involvement in all stages and processes of the March price review."

Addressing Signor Antonio Ruffini, the Italian Foreign Minister, Mr Callaghan said: "We seek greater parliamentary influence over the EEC's agricultural policy, as we do over the budget. He asked for a farm price conciliation procedure like that established for the Community budget."

In other years the Parliament has had no effective say over spending. It carried in December a budget containing a token sum for agriculture, and then later in the parliamentary year had to pass a supplementary budget in that way parliamentary control was minimal.

After Parliament rejected the Council's budget last December, the redrafted budget and the Community's farm price review will for the first time coincide in that way parliamentary control was minimal.

Parliamentary report, page 4

## Paris journalists' macabre protest at redundancies

From Our Own Correspondent  
Paris, Jan 16

Forty-five journalists of the independent, conservative newspaper *L'Aurore* chose a sinister charade today to highlight their dismissal. They had a demonstration in Paris this afternoon, using a cumbriel and a fanfare playing funeral marches to walk from the original *L'Aurore* headquarters, in the Rue Richelieu, to the building of *Le Figaro* in the Rue de la Harpe.

The merger of the two newspapers is said to be planned by Mr Robert Hersant, whose press empire includes *Le Figaro*. He has already transferred the editorial offices of *L'Aurore* to the premises of *Le Figaro*, with the redundant 45 journalists still left at the old *L'Aurore*.

Today's protest was an effective one in the eyes of the public, with people lining the streets where the house-drawn "cumbriel" passed, preceded by the fanfare of *L'Enfer* des

Beaux-Arts, playing "de profundis" and funeral marches.

Five of the redundant journalists stood in the cart while the other 40 marched behind a placard inscribed "L'Aurore: L'ancien journal - Héros du journalisme."

The journalists are complaining at the loss of plurality of the French press in general, and of the one in Paris in particular. As well as the dismissal of half the editorial staff, *L'Aurore*'s editorial staff.

The two papers already share editorial and advertising copy and the journalists claim that *L'Aurore* has become the "second cover" of *Le Figaro*.

One journalist, Mr Claude Proulx, who also was on the dismissal list, will keep his job. He is the delegate of the journalists' union and the Ministry of Labour has refused to give permission to the management to dismiss him. His dismissal was "unjustified and based on a trivial accusation".

## Berlinguer meeting called off by Herr Brandt

From Our Own Correspondent  
Rome, Jan 16

In a double announcement the headquarters of the Communist Party first stated in tones of implied joy that Signor Berlinguer, the Italian leader, would be going to Bonn today for a meeting with Herr Willy Brandt, chairman of the West German Social Democrats, and then said two hours later that he would not.

By explanation it merely stated that Herr Brandt found himself too involved with preparations for a Bundestag debate opening tomorrow on Afghanistan and had to put off their meeting to some unspecified date in the future.

The meeting would have had much importance for the Italian Communists especially at this particular moment in which Signor Berlinguer, who has condemned the Soviet invasion of Afghanistan, was hoping to gain support for his proposal for a European initiative.

Left-wing sources here attribute the sudden reversal of Herr Brandt's attitude to pressures brought to bear on him. It was pointed out that Mr Warren Christopher, the American Deputy Secretary of State would also be in Bonn today.

It was also suggested that some elements in Herr Brandt's own party might feel they would lose votes if their leader was seen in friendly touch with a communist.

Basque militant shot dead on his doorstep

San Sebastián, Jan 16—A left-wing Basque nationalist was shot dead on his doorstep early today near San Sebastián, the police said.

No details were known of the attack on Señor Carlos Saldisse Core, a 33-year-old militant of the Herri Batasuna coalition which supports the military wing of the Basque separatist group ETA.

Nobody immediately claimed responsibility for the attack, the fifth fatal shooting in the Basque country this year. The four other killings were claimed by ETA—Reuter.

## Man stopped as he runs towards Pope

Rome, Jan 16—An unidentified man carrying a placard ran towards the Pope during his general audience today but was restrained by a Swiss guard before reaching the Pontiff.

The Vatican said the man, in his forties, jumped over a low wooden fence and ran towards the Pope from the side of the main audience hall holding a placard over his head.

Vatican sources believed there were no political motives involved and speculated that the man was of deranged mind. He was turned over to the Italian police.—UPI.

## West Germans relieved at small rise in low birth rate

From Patricia Clough  
Bonn, Jan 16

West Germans who thought that in a couple of centuries there would be too few of them to fill even a single-decker bus may breathe again. Latest statistics show that West Germans may at last be more willing to breed.

Between 1965 and 1978, annual births dropped by almost 50 per cent, from 1,044,000 to 576,000. West Germans now produce approximately 0.65 of a child each, the lowest birth rate in the world.

But incomplete figures show that births began to increase slightly from the middle of last year. By the end of October, the last month for which figures are available, there were 489,000 births, which means that by the end of the year between 4,000 and 5,000 more babies will probably have been born than

in the previous year.

Experts in the Health and Family Ministry think that the increase may partly be because, from July last year, maternity leave increased from two to six months and maternity allowances rose up to £200 more were introduced. The plans were known well in advance.

The experts believe the increase may also be influenced by the higher unemployment among women.

The fact that the tiny rise in the birth rate can be spliced on the front page of a German newspaper, the *Frankfurter Rundschau*, is an indication of its political importance here.

A main plank in the Opposition Christian Democrats' election platform is a plan to spend huge sums of money on even better maternity benefits to encourage women to stay at home and have babies.

## Unwilling terror aid criticized

By Our Home Affairs Correspondent

Ways in which security firms and insurance companies seeking to protect people from terrorist kidnapping can unwittingly increase danger are described by Mr B. Hayes, Assistant Chief Constable responsible for operations in Surrey Constabulary, in the international quarterly *Police Studies*.

Private agencies in one sense provide a worthwhile service by protecting individuals and organizations who can afford the cost, he says. But in other ways they perpetuate and increase the violence associated with terrorism by driving the terrorists to greater efforts to attain a well-protected target.

"In the field of kidnapping, particularly in countries as far apart as Italy and Colombia, representatives of these organizations have sought to act as private negotiators between the kidnappers and the victims' relatives or employers."

"This has operated to the disadvantage of the victims, the relatives, the police in the country concerned, and society in general."

With the growth of the special security industry, insurance companies have increasingly issued policies against the risk of kidnapping, Mr Hayes says.

"As a natural progression, terrorists, extremists and criminals are encouraged to kidnap well-insured individuals, knowing that a ransom is capable of being paid. Families and employers are encouraged to negotiate with kidnappers, often against the law, and using the professional negotiator."

"This frustrates the efforts of his security forces, and lowers their image in the eyes of the public, while at the same time enhancing the standing of the terrorist."

"In this respect, it might be felt that the hard line constantly adopted by the Israelis and by the West Germans in the Schleyer case and the Italians in the Moro case is the only long-term solution."

## 60 MPs condemn dismissal of prison visitor

By Our Home Affairs Correspondent

Sixty Labour MPs have so far signed an early day motion put down yesterday by Mr Robert Kilroy-Silk, chairman of the Parliamentary Labour Party's civil liberties group, after its meeting with Mr Jonathan Pollitzer, the Wormwood Scrubs prison visitor dismissed by the Home Office.

The motion condemns the action by Mr William Whitelaw, the Home Secretary, when Mr Pollitzer's "only offence was to tell the truth about the incident at the prison on August 31". The motion calls on Mr Whitelaw to reinstate Mr Pollitzer forthwith in line with the recommendation of the May committee for a "new openness of approach" and "openness of mind" by the Home Office towards public discussion of prison matters.

Mr Kilroy-Silk, Labour MP for Ormskirk, has also asked Mr Whitelaw to clarify the position of Miss Kay Douglas-Scott, another voluntary worker at the prison, who has been put under pressure. Like Mr Pollitzer she appeared on the television programme *Thames News*.

## Civil defence-2: Blue plastic domes and white dustbins mark underground regional HQs Government plans a do-it-yourself approach to survival

By Peter Evans  
Home Affairs Correspondent

The Government's south-eastern regional headquarters, to be used during a nuclear attack, are dug deep under a wooded hill.

The way in, behind a caged entrance, is down a gently sloping corridor, three cricket pitches in length. The accommodation which amounts to a three-storey office block underground, is air-conditioned, lit by ventilators designed to keep out nuclear-active dust. There are massive standby generators capable of powering the headquarters' lighting, air conditioning, and communications systems.

After a nuclear attack, any person arriving there would have to change his clothing at the entrance and brush himself free of fall-out dust.

Messages will arrive in the communications centre 30ft below ground level via a telephone switchboard or teletype system.

There is a separate teletype system for the scientific room, which will be the monitoring centre for radioactivity in the area covered by the headquarters.

Another room has been set aside for broadcasting. The BBC will bring its own equipment if an international crisis develops, and war seems inevitable.

Apart from offices there is a conference room where discussions on the latest information can be chaired by the sub-regional commissioner.

In addition to the conference room on the first floor, the regional commissioner, sub-regional commissioner and a senior member of staff, have offices with beds (army-pattern) folded against the wall.



A nuclear underground regional headquarters during a flooding emergency.

The second floor is given largely to living quarters, but there is a separate self-contained sick room. Alongside the restaurant the stainless steel of a white tiled well-equipped kitchen gleams.

The headquarters are part of a nationwide communications and proposed wartime government centres.

Information about attacks, bomb bursts and fall-out will originate at the United Kingdom's warning and monitoring organization, which is considered to be Britain's best prepared civil defence asset. That information will be collected first at field level by 873 monitoring posts, manned by members of the Royal Observer Corps. One typical post lies 200 yards from a main road concealed in a thicket.

Above ground, the only unusual signs are a blue plastic dome and a white dustbin.

The first is in fact the ionization chamber of the fixed survey meter for measuring radiation levels. The other encloses four pinhole cameras so arranged that a nuclear burst in any direction from the post would record a mark indicating the bearing and elevation of the explosion. Another instrument records the peak pressure of an explosion and others give meteorological information.

About 20 feet below ground

is a concrete chamber 7ft x 16ft x 7ft, reached by ladder down a concrete shaft.

The pamphlet (*United Kingdom Warning and Monitoring Organisation*) prepared for the Home Office says it is "the job of each monitoring post to report to group control, which would originate fall-out warnings and comes under sector controls linked with Nato. Buildings which house group and sector controls have been designed without windows and built to withstand blast and give protection against radioactivity. Each has its own standby services including power, ventilation, refrigeration and decontamination facilities as well as emergency food and water supplies."

The Central Office of Information has ready a series of short, informative films to be released in the weeks immediately before nuclear attack is expected.

One warns: "No place in the



## WEST EUROPE

## Synod debate reveals Dutch Catholics split into five groups

From Peter Nichols  
Rome, Jan 16

It was a predominantly bleak day at the Dutch synod in the Vatican. The more starry-eyed supporters of innovation remained early that a state of communion within the Church could never be limited by human concepts nor lived on earth in all its perfection.

This was the second day of debate on the report of the synod's secretary on the Pope's summons to the Dutch bishops to this unprecedented special synod.

More by luck than any slight of hand on the part of the synod's secretary, the criticisms of some of the Dutch experiments coincided with publication by the Vatican of a much fuller summary of the discussions, though individual speakers were not identified.

There was much talk of groups. The old problem of the subjective religious belief between those whose point of departure is what the faith affirms and those who begin from what they themselves feel.

An example given was the liturgy's sons wanted to accept the explicit content of the faith by the following the Second Vatican Council and the Roman Missal, while others wanted to introduce into the liturgy experience.

Another attempt at grouping the feelings prevalent among Dutch Catholics ended by identifying five. The first was of long-standing fidelity to the Church with roots going back before the Second Vatican Council with respect to authority and the life of prayer.

Then there was a numerous group of average Catholics who loved the Church, were interested in the Second Vatican Council, were active and interested in the realities of the world.

A smaller third group had drifted away from the institutional Church because it saw it as being in opposition to evangelical values.

A fourth group was on the frontier: it had not left the Church explicitly and still turned to it in different

moments and at times of vital decisions.

A final group was totally outside the Church and the faith but remained open to invitations on the part of the Church to return.

Some Dutch Catholics had the impression of being misunderstood by certain bishops and by Rome. Their difficulties were also due to the mass media and the human sciences.

In the new context, and in the search for new church structures a popularization had taken shape above all because of the efforts of small groups and periodicals.

On the whole, the Dutch Catholic community remained normal in so far as the work of the priests, the attachment to the papal authority and parish life went. Not only the Netherlands was in this position; the same could be said of all churches with a silent majority and some activist groups.

The deepest in the universal Church remained strong among Dutch Catholics. There was an undoubted distinction made between the Pope and the Curia, with a lack of confidence in the latter.

There was a drop in belief in the Real Presence at the Eucharist, in the character of the Mass, in the sacramental character of the priesthood and a falling off in the practice of confession. The sacraments were reduced too much to psychological level and more attention was given to the Scriptures than to tradition in the Church.

Not all was so sombre. The criticisms of the Roman Curia, the Church's central administration, grew from the quarrels of the past 20 years, and from the lack of direct contacts which should be planned and continuous.

An exaggerated pessimism on the present situation could give the impression of a lack of confidence on the part of the faithful who had difficulty in following the Church because they felt misunderstood.

But there was cause for moderate optimism because never before had there been such active participation by many lay people who know their own responsibilities and those of the bishop.

## New claims in affair of Bokassa diamonds

From Our Own Correspondent  
Paris, Jan 16

Once again *Le Canard Enchaîné*, the satirical French weekly, is "digging for diamonds". A new document on the "affair of the Bokassa diamonds" involving President Giscard d'Estaing has been published in today's issue.

It is a letter signed by M. Hugues Dohouendi, the Central African Finance Minister, and addressed to the former Emperor Bokassa, dated March 20, 1978. It asks for the "carbon copies of the orders and the correspondence to the Comptoir National des Diamants, French section, and concerning the President of the Republic as well as French personalities, for registration purposes".

In the upper left corner of the published letter is, in M. Bokassa's handwriting, the word "accord" (agreed), his signature and the date.

Last October *Le Canard Enchaîné* began publishing similar documents concerning alleged gifts of diamonds from the former Emperor to M. Giscard d'Estaing.

When the President was questioned about this on television on November 27, he replied that "one must let base things die of their own poison".

There was no comment from the Elysée Palace today.

In the same issue this journal also "claims" that "French jeans" "curbed the palace in Benin after the Emperor's fall and found a ring with a 62-carat diamond as well as a jar containing thousands of uncut diamonds.

## EEC move on trade relief for Yugoslavs

From Michael Hornsby  
Brussels, Jan 16

News of President Tito's ill-health, and fear that Moscow might seek to influence events in Yugoslavia were he removed from the scene, have spurred the EEC into trying to accelerate agreement on long stalled trade concessions to the Yugoslavs.

Despite frequent statements of support for Yugoslavia's independent position in the communist world, powerful economic and trading interests in EEC member states have so far blocked attempts to give Yugoslavs more generous access to Community markets.

Yugoslavia's trade deficit with the EEC is currently running at an annual rate of more than £1,500m—a huge burden for an economy of its size.

For the past year the European Commission has been trying to persuade member states to offer more extensive tariff-free access to Yugoslav industrial goods. But hitherto the member states have insisted on maintaining quantitative limits on the duty-free access of more than 50 items.

These include many semi-finished products, non-ferrous metals, glass, shoes, leather goods and some chemicals. The Commission agrees with the Yugoslavs that this is excessive and also wants the EEC to relax restrictions on imports of agricultural goods.

EEC foreign ministers yesterday instructed their per-

manent representatives in Brussels to draw up a mandate for the Commission to make an improved offer to Yugoslavia. It is hoped that the Commission would be able to report back on the Yugoslav response to the next meeting of the EEC foreign ministers on February 5.

The foreign ministers also gave a sympathetic hearing to a West German proposal for closer economic and commercial cooperation with the Gulf states—Iraq, Kuwait, Saudi Arabia, Qatar, the United Arab Emirates, Bahrain and Oman.

The Germans suggest that the agreement the EEC is due to sign next month in Kuala Lumpur with the Asian countries—Malaysia, Thailand, Singapore, Indonesia and the Philippines—should be the model for the new relationship with the Gulf states.

Although the German idea pre-dates events in Afghanistan, Bonn argues that it has acquired new relevance because of the sharpening of the Soviet threat to the region, and that it should be seen as more than simply a means of securing oil supplies.

The German initiative has been inspired to a large degree by the lack of progress in the so-called Euro-Arab dialogue, an attempt launched by the EEC after the 1973 oil crisis to establish closer relations with the Arab world in general.

Bonn contends that the Nine would do better to concentrate their efforts on a smaller group of Arab countries which not only have close ties of friendship with several EEC states, but also have close historical links with each other and share a broadly similar outlook.

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## What have the next 3½ years got to offer you?

## Crisis in Belgium as party withdraws from coalition

Brussels, Jan 16.—Belgium has been plunged into a new political crisis today after one of the five political parties withdrew from the centre-left coalition because of disagreement on constitutional reforms.

Mr. Wilfried Martens, the Prime Minister, announced that King Baudouin had accepted the resignation of the two ministers and one deputy minister belonging to the Brussels-based Front Démocratique des Francophones (FDF).

The four remaining parties, the French-speaking and Flemish-speaking wings of the Social Christians and Socialists, still have a working majority in Parliament.

But the FDF's defection deprives them of the two-thirds majority needed to push through constitutional amendments granting a large measure of autonomy to the regions.

The resigning Government members are: Mr. Lucien Outers, the Foreign Commerce Minister; Mr. Leon Defossé, the Minister for Brussels Affairs; and Mr. François

Personas, Secretary of State for French Community Affairs.

The crisis resulted from the disclosure of a secret agreement between the three French-speaking coalition members designed to guarantee that the Flemish national majority could not dictate to French-speaking Wallonia and Brussels.

The Flemish Social Christians, Mr. Martens's party, said such an agreement was unconstitutional and asked the Prime Minister for clarification.

The cabinet today ruled that inter-party agreements must not flout the constitution and curtail the freedom of individual parliamentarians, informed political sources said.

Finding itself abandoned by the French-speaking Social Christians and Socialists, the FDF, led by Mrs. Antoinette Spaak, daughter of the late Paul-Henry Spaak, decided to withdraw from the nine-month-old Government.

Mr. Martens will make a policy statement to the Parliament tomorrow and ask for a vote of confidence, Mr. Willy Claus, the Deputy Premier, said.

—Reuters.

## French court hard put to cope with appeals flood

From Ian Murray  
Paris, Jan 16

Cases being referred to the Supreme Court of Justice in France are growing so fast in number that the judges are increasingly unable to keep up with them. One of the main reasons is the number of sound judgments made in the lower courts, according to the court's latest annual report.

In the past six years the Supreme Court's work has increased by 50 per cent, partly due to the growing tendency by convicted people to take their case to the ultimate court of appeal, but also because of the growth in delinquency. There is also the fact that measures taken in recent years allow access to the law by poorer people.

The economic crisis has also played its part with more people going to law for compensation after being made redundant.

This pressure on the court

meant that it dealt with 14,242 cases last year compared with 12,994 in 1977, but at the same time the waiting list for judgments grew.

The court is worried that this growing and inevitable delay in obtaining a hearing will result in fewer people being prepared to put their cases forward even though they ought to do so. At the same time the court is worried that sheer pressure of work could mean its own decisions will be of a poorer quality.

Civil cases represent two-thirds of the court's work, although appeals in this field are growing more slowly than in penal cases which jumped by 14.7 per cent over the previous year. The court quashed all three death sentences passed by lower courts in increasing number.

The court has also noticed an increasing number of people seeking compensation for false imprisonment. These cases used to average about 30 a year but last year the court dealt with 57.

## Thieves take £1m cash from aircraft they told to halt

Rome, Jan 16.—A pilot was duped into halting a Swissair DC9 airliner about to take off from Rome's Leonardo da Vinci airport, while thieves stole two pouches containing about £1m worth of cash from its cargo hold.

Police said the thieves dressed in fake airline overalls radioed the pilot from an airport vehicle to stop the aircraft for an urgent check of leaking fuel. They then drove out, opened the cargo hold and stole the bags.

Minutes after the theft the aircraft left for Zurich, with its

pilot unaware that the theft had taken place.

The thieves, all OK and the aircraft having received clearance, turned on to the runway and took off.

Only minutes later did the pilot mention the incident to the Rome control tower, whose staff, surprised by what seemed to be an irregular procedure by technicians, began inquiries.

Swissair refused to comment on the theft. Police believe the theft must have been organized by aircraft employees who knew of the cargo.—Reuters, AP.

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Golf  
Geminis  
Guns  
High Seas  
Helicopter Carriers  
Hovercraft  
Hockey  
Ice Patrol Ship  
Ikara  
Indian Ocean  
Job Satisfaction  
Judo  
Know-how  
Karate  
Leadership  
Maturity  
Missiles

Mountaineering  
Mine Clearing  
Management  
Experience  
Minehunters  
Medical Care  
Mediterranean  
Nuclear Submarines  
Navigation  
Nato  
Northern Lights  
Overseas Travel  
Off-shore  
Patrol Craft  
Officer of the Day  
Olympus Engines  
Opportunity  
Ops Room  
Outdoor Life  
Patriotism  
Patrol Submarine  
Ports  
Promotion  
Prospects  
Professionalism  
Pride  
Prestige  
Pressure  
Pacific Ocean  
Physical Training  
Qualifications  
Quality of Life  
Radar  
Rank

Responsibility  
Risk  
Rugby  
Respect  
Sailing  
Seamanship  
Satisfaction  
Six Weeks' Leave  
Skiing  
Sea  
Shooting  
Sonar  
Swimming  
Sea Cat  
Spithead Pheasant  
Sea Wolf  
Sea Slug  
Sea Dart  
Sub-Specialisation  
Short Career  
Soccer  
Self Respect  
Security  
Signals  
Ships  
Technology  
Tax-free Gratuity  
Teamwork  
Tennis  
Training  
Tradition  
Tropics  
Type 21s  
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Uniform

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West Indies  
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If your present expectations fall short of this list, consider the new Short Career Commission for Seaman Officers in the Royal Navy.

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Date of Birth \_\_\_\_\_

## The Navy's new Short Career Commission



## AFGHANISTAN/IRAN

## US studies new security arrangement in SW Asia

From David Cross Washington, Jan 16

President Carter is considering a strengthened framework for regional cooperation in South-West Asia, Mr Cyrus Vance, the Secretary of State, disclosed today.

Certain elements already in the Administration's strategy would be included, he said, such as increased American forces in the Indian Ocean area; increased assistance to nations in the area, such as Pakistan, which are threatened by the Soviet invasion of Afghanistan; and encouragement of regional peace between Israel and its Arab neighbours.

The idea of what the American press has already described as a new Carter Doctrine was first mentioned publicly by Mr Vance in Brzezinski, the President's national security adviser, in an interview with the Wall Street Journal yesterday.

"We are prepared to work to create a cooperative security framework for the region in a variety of ways," Mr Brzezinski said. "This doesn't require, in all cases, either physical or formal arrangements of the kind that have come to be associated with the other area (like Nato)."

"Nonetheless, the trend is towards increased military presence in the region, towards greater utilization of available facilities, towards a regional security framework including also the United States."

Full details of the Administration's thinking are expected next week when President Carter delivers his annual State of the Union message to a joint session of Congress here.

Asked about the possible American use of military facilities in Kenya, Somalia and Oman, Mr Vance said today that "reactions arising from our preliminary discussions have been positive."

However, American plans concentrated in the United States bases, but the use of facilities that exist in various countries which would be available to the United States in connection with the increased presence which the United States has there and would intend to keep there for the foreseeable future."

The Secretary of State also played down possible future co-operation between Washington and Peking.

Meanwhile, Mr Harold Brown, the Defence Secretary, has said that some of the Soviet troops in Afghanistan have reached the borders with Pakistan and Iran. "Any further action by them to go beyond (Afghanistan) into Iran or Pakistan would be very, very much more serious still," he said.

## Tory urges US war threat against Cuba

By Our Political Editor

Growing Conservative back-bench pressure for counter-measures against the Soviet invasion of Afghanistan now include urgings to encourage the United States to threaten to "take" Cuba.

At a private meeting on Tuesday evening of the Conservative foreign affairs committee some right wingers were reported to be electrified—and more moderate MPs in a state of consternation—to hear Mr Peter Tapsell, the Conservative front bench spokesman on Treasury and Foreign Affairs, demand warlike retaliation.

Mr Tapsell wanted the Russians to be given an ultimatum to withdraw from Afghanistan and if they did not, for the United States to invade Cuba.

## Communist parties critical of Soviet intervention rebuked for using 'bourgeois' arguments

From Michael Binyon Moscow, Jan 16

The Russians today hit back strongly at those communist parties that have criticised the Soviet intervention in Afghanistan, using "bourgeois" arguments and misrepresenting international solidarity.

In a clear reply to the Italian, British, Yugoslav and other European parties that have condemned the Soviet actions, an editorial in the influential weekly *Venue* said most communist parties, especially those in the Soviet bloc, had issued statements "evaluating recent events" from class and internationalist positions. In other words, supporting the Russians.

The magazine listed some of the parties which, it said, had given a resolute rebuttal to the slanderous campaign unleashed by the enemies of peace and détente.

But against this background "the biased comments of some organs of the communist press are clearly dissonant." The authors presented the events in Afghanistan in a distorted light, using arguments from bourgeois sources.

This was "all the more strange" as they had ignored the official statements of the Afghan Government.

## Carrington visit to Khyber Pass

From David Spanier Diplomatic Correspondent Khyber Pass, Jan 16

Lord Carrington, the Foreign Secretary, came face-to-face with the Afghan Army at the top of the Khyber Pass today. The detachment of Afghan soldiers which guarded the frontier post no more than a simple iron rail across the road, stood about looking somewhat bemused at his arrival.

Down the road behind the guard post stood a white fort with a red flag, and beyond that a stupendous panorama of mountain peaks, range upon range stretching into the heart of Afghanistan.

Lord Carrington, with a garland of yellow flowers round his neck, was quickly surrounded by a crowd of curious tribesmen who had come in from their mountain villages.

One of the maliks or tribal elders, began explaining to the Foreign Secretary what had happened to them. Their homes, he said, had been strafed by Russian helicopter gunships and their people had been bombed with napalm.

Before flying off in a helicopter to inspect a refugee camp, Lord Carrington was given a crisp analysis of the military position by the corps commander, Lieutenant-General Fazle-Haq, Governor of the North West Province.

Pakistan, he said, shared a border of 1,200 miles with Afghanistan, but its rugged and mountainous terrain made it difficult or even impossible to control.

The military danger, as the general sees it, is that when the campaigning season started in April or May, the tribesmen would start to make forays across the border to harass the Russians. The Russian pursuit was a recognized practice, and Russian retaliation could lead to a deep strike inside Pakistan.

At a final press conference in the elegant ballroom of the Governor's Residence, Lord Carrington gave his impressions, before flying on to Delhi.

Britain would do what it could to help, he said. "You know that Pakistan has the support of Britain in its determination to maintain its own integrity and independence as a nation," he said.

New Times said a lively discussion had started among left-wing forces on the nature and form of internationalist solidarity with revolutionary parties forced to resist the subversive activities and aggression of imperialism, and on the compatibility of internationalist solidarity with the principles of non-interference in inter-state relations.

The point at issue was whether the Americans and the Russians were equally guilty for the situation in Afghanistan. "Such an approach is completely unjustified because it completely ignores the chief factor: namely the radical differences in the nature and foreign policy objectives between socialism and imperialism."

Although some communist parties admitted that the Americans had carried out subversive activities in Afghanistan, they assumed a dual position: on the one hand welcoming the Afghan revolution, condemning the excesses of the Afghan leadership, and the new leadership success, but on the other hand voicing doubts about the advisability of Soviet military assistance to Afghanistan.

Some went as far as describing it as interference, damaging the country's sovereignty and the cause of peace.

"In this case, one is bound to ask: what then is international solidarity among revolutionaries? Does it boil down only to moral and diplomatic support and verbal wishes of success, or does it also consist of providing, under certain extraordinary conditions, a material, including military assistance?"

The journal, in a clear reference to Hungary, Czechoslovakia and Afghanistan, said that in cases where such an "extreme need" had actually arisen the Soviet Union had acted in full accord with the norms of peaceful coexistence laid down in international treaties.

To have denied help to Afghanistan would have left the Afghan revolution and people a "defenceless" prey to class enemies, imperialism and feudal reaction.

The Russians have clearly been stung by some of the harsh words from those parties calling for a "defenceless" prey to class enemies, imperialism and feudal reaction. They must know, following their massive defeat in the United Nations General Assembly, is increasingly hard to justify at home and abroad.

Japan's dilemma, page 18

## Mr Begin fears PLO links with Russia

From Christopher Walker Jerusalem, Jan 16

Mr Menachem Begin, the Israeli Prime Minister, today told members of the Knesset that the lesson for Israel from the Soviet invasion of Afghanistan was that the creation of a Palestinian state would lead to a direct Soviet presence in the Middle East.

Reporting on his summit meeting in Aswan with President Sadat, Mr Begin quoted a Palestine Liberation Organization spokesman as describing the Soviet invasion as "assistance to a friend."

Mr Begin added: "If a Soviet invasion is assistance to a friend, what, God forbid, would be liable to happen were the so-called Palestinian state to be established in the land of Israel, or a similar creation under the rule of the Kadumais and the Arafats," he said in reference to two leading PLO officials. "Within a very short time it would become a Soviet base—at the invitation of a friend."

He went on to call on other nations "to beware and to understand why we unreservedly reject not only the establishment of a Palestinian state but also the formation of a corridor liable to lead to it."

It was against this background and other events in the region that he had talked with President Sadat. These events included the flow of advanced Soviet arms to Syria, the acquisition by Jordan of advanced weaponry, the presence of Russians and Cubans in South Yemen and the sale of sophisticated American arms to Saudi Arabia.

Mr Begin said that progress had been made on a number of points involved in the normalisation of relations with Egypt. Talks on the proposed telephone, telex and airline links would be held next week.

Tehran threat to halve oil production

Tehran, Jan 16.—Iran may halve its oil production if allies of the United States join in economic sanctions against it, Mr Ali Akbar Molinar, Oil Minister, said today.

Referring to the possibility of sanctions by countries other than the United States, Mr Molinar said a news conference. "It all depends on which countries participate. Any country which does will be deprived of oil."

He added: "Iran is prepared to reduce production to 1.5 million barrels a day if it comes to this worst case." He said that production was running at between 3 million and 3.5 million barrels a day.

Saboteurs last night blew up an oil pipeline running from Ahwaz to Abadan. The explosion started a fire.

Iran today held a limited celebration of the Shah's departure a year ago. The radio asked people to burn effigies of the Shah for 10 minutes at 3 pm and chant "Allah is great."

Reuters and Agence France-Press.

## Karmal drive to gain legitimacy in foreign eyes

From Robert Fisk Kabul, Jan 16

Having consolidated its hold on Afghanistan with the assistance of Soviet troops, the Government of Mr Babrak Karmal is placing increasing emphasis on seeking international legitimacy.

Daily newspapers in Kabul now carry prominent reports of favourable reactions to the new regime from Syria, Kampuchea and India as well as the Soviet Union and Eastern Europe, while Mr Karmal himself is trying to win the support of Ayatollah Khomeini.

In a long letter to the Ayatollah yesterday, the new Afghan leader criticised the adverse reaction in Iran to his Soviet-supported coup—this was a veiled reference to the condemnation by Iranian religious leaders—and sought to assure the Ayatollah that the murder of Muslim tribesmen in Afghanistan had been brought to an end with the overthrow of the Amin regime in Kabul.

Aware of Iranian fears that Afghanistan may be used as a springboard for a Soviet attack, Mr Karmal continued: "My Government will never allow anybody to use our soil as a base against the Islamic revolution of Iran and against the interests of the fraternal Iranian people. We expect our Iranian brothers to take an identical stance."

The new Government here has asked public opinion for signs of good will from groups of Pushtun and Baluchi tribesmen—whose repression under Mr Hafizullah Amin the Islamic clergy have often complained—and a message from Amnesty International expressing satisfaction with the release of political prisoners was given front-page treatment in the Afghan press.

However, Mr Karmal's campaign for respectability has a long way to go. The British, French, German and Italian Ambassadors, who were recalled after the coup, are still absent. The American Embassy, which has been in the care of a chargé d'affaires since the murder of the United States Ambassador during the previous regime, is unlikely to upgrade its political representation in the near future.

Most Western embassies, including the British, have not yet been reopened. The new Afghan Government called a "day of mourning" in memory of those who were murdered under Mr Amin's rule. But the British did not sign the Government's official statement of condolence on the ground that this would constitute recognition of Mr Karmal's regime.

Sir Ian was clearly not altogether at ease over the situation as Mr Peter Shore, Opposition spokesman on foreign affairs, reminded him that a specific pledge was given that no foreign forces would be allowed to remain in Rhodesia.

While agreeing that the Beit Bridge was a crucial installation and must be properly protected, Sir Ian did not make any commitment to make good will and of building up trust, to allow it to be guarded by South African forces.

He suggested that the task could be done by using Rhodesian security forces or by any Commonwealth or other force available.

From the Liberal benches, Mr David Steel, the party leader, said that the use of South African troops to guard the bridge was a provocative irritant in an otherwise totally successful ceasefire solution.

He urged the Government to look again at this.

There also appeared to be some disquiet on the Tory benches. Mr Peter Emery, Conservative MP for Hounslow, said that this seemed a small problem but it had been built up to major proportions.

He suggested that a Commonwealth force might guard the bridge since the matter was being vastly exaggerated in the eyes of many black people.

But Sir Ian was outwardly unmoved by the protest. He could not accept that a small South African presence to defend the Beit Bridge amounted to external interference. He told the House that there was a Commonwealth force close to the bridge to monitor what went on there.

The matter was being greatly exaggerated and the Government was in touch with Lord Soames to ensure that there was no external intervention or involvement in Rhodesia.

Sir Ian pointed out that there was only a small detachment of South African troops just across the border. The Governor had decided that this small contingent was required to guard the bridge, which was half South African property.

He reminded the House of the "remarkable achievements" in such a short time and congratulated all concerned—the Governor, the monitoring force, the Rhodesian forces and the Patriotic Front.

Parliamentary report, page 4

President Carter has announced new restrictions on the sale of high technology goods to the Soviet Union, but so far there has been no comparable or complementary commitment from the European side, though EEC foreign ministers said yesterday that they would examine the possibility of such a move.

Senior American sources, however, are confident that there will be agreement within the next few weeks on a new and expanded list of high technology items that are prohibited.

## OVERSEAS



Paul McCartney, in handcuffs, is led away by police.

## Paul McCartney arrested in Tokyo

Tokyo, Jan 16.—Paul McCartney, the former Beatle, was arrested by customs officers when he arrived at Tokyo airport from New York for a tour with his group Wings, and later questioned by Narcotics Control officials.

A customs spokesman said Mr McCartney and his suitcase were searched and about 220 grams (8oz) of marijuana worth 600,000 yen (£1,116) were confiscated.

The Narcotics Control officers questioned him for about an hour and said the questioning would continue tomorrow. They gave no details.

The Japanese promoters said they would decide tomorrow whether to cancel the 11 performances scheduled by Mr McCartney, aged 37, and his group. He was to give them in Tokyo, Osaka and Nagoya from January 21 to February 1.

Almost 100,000 tickets for the concerts have been sold, representing a possible loss of well over 100m yen (£185,000), music industry sources said.

Mr McCartney was accompanied by his wife, Linda, and four children.—Reuters.

## Beit Bridge troops defended

By Hugh Noyes Westminster Correspondent, Parliament

Sir Ian Gilmour, the Lord Privy Seal and principal spokesman in the Commons on foreign affairs, came under intense pressure yesterday to take action over the Beit Bridge.

Lord Soames has agreed to send troops to guard the Beit Bridge.

That decision has met with criticism from the Patriotic Front and from the front-line Presidents as a breach of the Lancaster House agreement and of assurances given to Parliament by Sir Ian and Lord Carrington, the Foreign Secretary.

Sir Ian was clearly not altogether at ease over the situation as Mr Peter Shore, Opposition spokesman on foreign affairs, reminded him that a specific pledge was given that no foreign forces would be allowed to remain in Rhodesia.

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## Many refugees may not vote in Rhodesia

From Nicholas Ashford Salisbury, Jan 16

A three-member planning mission, headed by Mr Abdul Cissé, the Commission's coordinator, has been in Rhodesia for the past week to prepare for the repatriation programme which will be carried out in cooperation with the International Committee of the Red Cross, the Rhodesian authorities and voluntary organisations.

The Commission has launched an appeal for \$22m (about £10m) to cover the cost of the programme. There are an estimated 120,000 refugees in Mozambique, about 60,000 in Zambia and more than 20,000 in Botswana.

The first refugees are due to arrive at the Tegwani mission near Plumtree, in the western area of Rhodesia, on Monday. It is also hoped that refugees will start moving by train and air from Zambia to Rhodesia next week.

Meanwhile Mr Joshua Nkomo, leader of the Zulu organisation which now calls itself simply the Patriotic Front, today has his first meeting with Lord Soames, leader of the United African National Council (UANC), today expressed "grave concern" over the fact that the returning refugees would not have to undergo normal immigration procedures.

He claimed that could lead to widespread infiltration by Zambians and Mozambicans with instructions to vote for the Patriotic Front guerrilla alliance.

According to Mr Nicholas Morris, an Australian member of the UN Committee of Experts to supervise the repatriation process, the returning refugees will have to complete a simple form giving details of their age, family and home areas. They would first be taken to reception areas just inside the Rhodesian border, and later transferred to temporary accommodation near their home areas.

The British authorities in Rhodesia have been greatly impressed by the performance of Mr Nkomo and his party since the Lancaster House conference, particularly the conciliatory statements made by Mr Nkomo on his return.

Relations between the British and Zanu (PF), led by Mr Robert Mugabe, have not been so cordial, particularly since yesterday's statement by the Governor accusing elements of Zanu, the military wing of Zanu of flooding the ceasefire.

They were stopped by a group of armed Zanu guerrillas who asked them to identify themselves. However, after they explained who they were one of the guerrillas shouted at Mr Farr British killers... kill the British, and opened fire. Mr Kelly, who was with Mr wheel, drove off. The guerrillas fired a fusillade of shots at the departing car but caused no damage.

The incident illustrates the fragility of the Rhodesian ceasefire which is now in its second week. Although 21,284 guerrillas have gathered at assembly points there remain a considerable number still at large.

Prisoner buys his own jail

Ankara, Jan 16.—A prisoner in the Anatolian province of Kayseri has become the owner of the jail where he is serving an 18-month sentence for carrying an unlicensed firearm.

The newspaper *Cumhuriyet* said the man, Semserin Semserin, paid 750,000 Turkish Lira (about £7,000) for the two-story prison building in Incesun, near the town of Kayseri, and now lives there at home.—Reuters.

The EEC grants special aid and trade concessions to 58 developing countries in Africa, the Caribbean and the Pacific.

Duty-free access for its exports of fine-cured Virginia tobacco will be the most important aspect of the new agreement for Rhodesia. Tobacco-growing employs some 20 per cent of the black Rhodesian workforce.

The Italians initially opposed free access for Rhodesian tobacco on the grounds that it would compete with their own exports of "Virginia Bright" tobacco, although the British maintained that this was of a different type and used in a different blend of cigarettes.

Italy was eventually appeased by an assurance that if its exports within the Community suffered as a result of allowing Rhodesian tobacco in, measures would be taken to compensate Italian growers.

The European Commission today approved the grant of \$4m (£1.2m) towards United Nations aid for the repatriation of Rhodesian refugees from neighbouring countries.

## A World View: Arrigo Levi predicts a Soviet 'peace initiative' 'Limited détente' may Finlandize Europe

According to East European sources, the Soviet leadership is convinced that the West will soon forgive and forget Soviet misdeeds in Afghanistan, in order to relax again in the warmth of détente.

The same sources do not believe for one moment that Moscow will recall all its troops from Afghanistan, although some highly publicized withdrawals are to be expected as soon as the local military situation will allow: this would take place simultaneously with a "peace initiative" addressed mostly to West European governments, perhaps within the framework of preparations for the Madrid conference, on European cooperation later this year.

The deep reluctance of Europeans to admit that détente is in serious trouble—which is understandable—has so far strengthened the Russians' belief that they can get away with the conquest of Afghanistan without any lasting damage to those aspects of détente which are most useful to them—like Western credits and technological aid.

Herr Willy Brandt and other West European leaders are giving voice to the belief that Europe can and must save détente by its own efforts, at the cost of following a somewhat different course from the United States. Of course, it would be a reduced regional détente, limited to Europe and to some strategic elements. Détente, it is claimed, is not indivisible: if it is in

trouble elsewhere, Europe's "little détente" must be protected at all costs, until the two superpowers hear the voice of (European) reason and understand that the road of non-alignment is the only one.

Being personally convinced that there is no real alternative to détente if we want to avoid a nuclear war, believing that there was real greatness in the Khrushchev design for détente leading to interdependence and cooperation, and that détente not only must but can be rebuilt, and on a grander scale, it is deeply mistrustful of the emerging design for a regional, European détente, and fear that it will lead to no détente at all, but rather to the Finlandization of Europe.

It is true that central détente, between the Soviet Union and the United States as well as between the two halves of Europe, can survive some peripheral confrontations and conflicts: this we know by experience. But I think that the Soviet conquest of Afghanistan—which we would be expected to accept and resist in order to get back our *Kleine détente*—makes any kind of détente impossible if it is not resisted, and for two fundamental reasons.

First, it threatens to destroy in the near future the economic and political balance of power through Soviet domination of oil-producing areas, whose independence is indispensable for the survival and independence of Western democracies in Europe.

Secondly, it extends the principles of Soviet imperialism in a way that makes any normal international relations impossible. Afghanistan is much worse than Prague 1968: it provides the missing link between the theory of Russian nationalistic duty and the theory of "limited sovereignty". The most absolute imperialism in history proclaims with deeds its universal ambitions, and shows that it has the will and means to support them.

How can a Little European détente survive under those conditions? European reluctance to admit that it cannot is, of course, understandable: if the President of the United States, having as his advisers such knowledgeable men as Mr Brzezinski, Mr Shultz and Mr Vance, now admits to having suddenly changed his view of Soviet global policy, there is no reason to be surprised if Western European public opinion still refuses to accept that the present Soviet view of détente is a very selfish one, which needs to be firmly corrected.

West German social democrats cannot easily abandon, in an election year, their rightly cherished *Ostpolitik*; Italian governments cannot ignore Communist views; the French cannot forget their "special relationship" with Russia. Once again, only the British instinctively react like the Americans.

Still, if a strategy aiming at setting up a *Kleine détente* were to become the official policy of Western Europe, the return to real

détente would become more, rather than less, difficult. If Europe were to adopt itself quickly to the new rules of the game as proposed by the Soviet invasion of Afghanistan, it would only encourage further expansionist adventures, which would in the end lead to a fatal explosion.

Chairman Huo Guofeng recently told some Italian visitors to Peking that "after all, there may be no Third World War, since Russia can win it without making it." It may be so, but I believe instead (and I quote Dr Henry Kissinger) that America is too primitive and rough to be beaten without knowing it.

A limited, purely European *Kleine détente* could well be a refuge for unlimited disaster, for the European détente would fail, just as Mr Brzezinski's and Mr Carter's "limited strategic détente, as theorized until the Moscow summit meeting, also failed.

I think the Europeans are right to proclaim that global détente, in the dangerous world of the 80s, is not necessary.

What is necessary is a device, together with America, a common strategy of counter-measures, pressures, blandishments and negotiations to win it back. But they will not reach this aim if they allow the Russians to become convinced that they can separate weak Western Europe from America, and if they condone the Russian conquest of Afghanistan, with all it implies for the future.

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insisting that the number is substantially smaller than it was under the Shah when Iran was, with Saudi Arabia, Britain's biggest arms market.

But he admitted yesterday that all are here under an agreement with the present Tehran rulers, who have paid in advance for the courses in accordance with the usual Government demand.

Mr Kilroy-Silk, who has accused the Government of "gross hypocrisy" has meanwhile complained that the ministry has refused to deal with any more questions on the subject of Iran in the Commons. This means that he and others who wish to pursue it, will have to seize the opportunity to put supplementary questions to the Prime Minister during question time.

The Ministry of Defence would not confirm yesterday that six of the Iranians are cadets at the Royal Naval College, Dartmouth, or name the locations of the others. This, the Ministry refused to disclose how many there are, while

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مكازم التحصيل







## SPORT

## Football

## Greenwood's men spared the worst

By Norman Fox  
Football Correspondent

Having qualified for their first important international competition in 10 years, England naturally hoped to begin next summer's European Championship in Italy against one of the less powerful nations. In that respect they were favoured by yesterday's draw which placed them in the second group, alongside West Germany, the Netherlands, Czechoslovakia and Greece.

There being no easy passage to a final in which the winners of two groups of four countries will play in Rome on June 22, England were prepared for the worst, which would have been considered to be group matches against West Germany and the Netherlands. They have been spared that and Italy, Spain and Belgium in the second group. The other group comprises West Germany, the Netherlands, Czechoslovakia and Greece.

There is something to be said for meeting the Italians in the group rather than in the final, but that is to look further ahead. It is prudent when considering England's future in the last decade, if they are to support the view of their manager, Ron Greenwood, who believes them to be "at least the fourth best team in Europe" they will need to be beaten by a team as strong as Belgium, and finish well against the next World Cup hosts, Spain, in Naples on June 18.

The match with Italy comes in the middle of the programme on June 15 in Turin. As the Italians finish their group programme with a game against the unpredictable Belgians in Rome, the meeting with England will almost certainly decide who goes into the final. Although England will play with the dark memory of having lost a World Cup final competition place to the Italians, they now have the advantage of being much more widely respected, not least by the Italians who lost

## Draws for European competitions

## European championship

GROUP 1

Rome, June 11: Czechoslovakia v

Netherlands, June 12: Greece v Netherlands

Naples, June 14: Czechoslovakia v

Greece, June 15: Spain v Belgium

Naples, June 14: West Germany v

Netherlands

Rome, June 17: Czechoslovakia v

Netherlands

Turin, June 17: West Germany v

Greece

GROUP 2

Milan, June 12: Spain v Italy

Turin, June 12: Belgium v

England

Milan, June 15: Spain v Belgium

Turin, June 15: Italy v England

Naples, June 18: Spain v England

Rome, June 18: Italy v Belgium

Turin, June 21: Play-off for

third place

Rome, June 22: Final

Under-21 championship

Quarter-final round

Czechoslovakia v Yugoslavia

with stars going through a spell of poor club form, but as Enzo Bearzot says, once they put on a national jersey things change. He emphasized that matches against Belgium and Spain could not be described as "easy". However, England are fortunate to have a rehearsal for one of those group games when they play in Spain on March 26. The original plan was to test the water for the 1982 World Cup, but the game now has more urgent importance.

## European Cup

Quarter-final round

Hamburg SV v Hajduk Split

Nottingham Forest v Dynamo

Benfica v Ajax Amsterdam

Racing Strasbourg v Ajax Amsterdam

Celtic v Real Madrid

Cup Winners' Cup

Quarter-final round

Arsenal v Gothenburg

Barcelona v Valencia

Dynamo Moscow v Nantes

Rijeka v Juventus

Uefa Cup

Quarter-final round

St Etienne v Borussia Mönchengladbach

Kaiserslautern v Bayern Munich

VfB Stuttgart v Lokomotiv Sofia

Eintracht Frankfurt v Zbrojovka Brno

qualified from a group containing Yugoslavia and Romania. The championship will begin with a fascinating match of the 1976 final when Czechoslovakia beat West Germany on penalties. They meet again in Rome on June 11. The Czechs may not be as good as they were but still have sound, experienced players. The Germans are always incredibly outstanding. However, the presence of the Dutch, runners-up in the last two World Cup finals, makes this group the more intensely competitive.

## European Cup

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West Ham to give their observations

The Football Association are

satisfied with the referee's

report from the referee, Cliff

Maskey, on the "missile" inci-

dent during last Saturday's home

game with Watford. A linesman

was struck on the head in the

76th minute and Mr Maskey

stopped the game for a short time.

The referee's report said that

the linesman was struck by a

ball thrown from the stands.

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the linesman was struck by a

ball thrown from the stands.

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## Boxing

## Minter's big date is on Mothers' Day

Alan Minter will meet Vito

Anzures, of Italy, for the world

middleweight title at Caesar's

Palace, Las Vegas, on March 16.

Minter, aged 28, who vacated his

European title to concentrate on

the world crown, can expect a fee

of around £50,000.

His manager, Doug Bidwell,

said: "We are greatly relieved to

have a confirmed date. In the

last few weeks there have been

a lot of suggestions but now

we have a definite target, the date

is March 15. It is Mothers' Day

and you can expect Alan to go

out there. So will a lot of

others."

"We hope more than 400 people

will be going to Las Vegas to

support Alan, who is very well

forward in our training schedule,

so I will quieten him down for a

few weeks and then get him

down to the tough stuff. We are

very excited about the fight."

Larry Holmes, the World Box-

ing Council heavyweight cham-

pion, said that the European title

holder, Lorenzo Zanon, whom he

meets on February 3 with the title

at stake, is a "hills of no ac-

count". Reuter reports from Las

Vegas, Holmes, insisting that his

next two scheduled defences were

against Zanon and a contender for

Zanon's European cham-

pionship.

If he beats Zanon, Holmes will

meet Leroy Jones, of the United

States, in late March, and if he

wins that one will face the World

Championship Council holder,

John Tate, in September.

Classen samples

switched,

doctor says

New York, Jan. 16.—Someone

deliberately switched tissues and

blood samples taken from Willie

Classen while his remains were

in the office of the city's chief

medical examiner, Dr. Elliott

Gross, said a forensic pathologist

in the city for four months, said

he took the samples and re-

sults were sent to the state

forensic laboratory.

But he told a Senate committee

today that when the samples were

analyzed four days later, Classen's

blood had apparently been mixed

with that of two other people, a

slice of a brain from another

body had been inserted among the

tissues and urine samples had

been added, even though he had

found no urine in the dead box-

er's kidneys. It would be reason-

able to suggest that the samples

were switched and deliberate, Dr.

Gross said.

Classen died of head injuries

in a New York City subway

station on December 17, 1977, and

was buried in a New York City

cemetery. The tissues, which Dr.

Gross said were substituted for

ones he removed from the body,

showed signs of tampering, he

said. The tissues, which Dr. Gross

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## Tennis

## Greater cost but more comfort and less distraction at Wimbledon

By Rex Bellamy  
Tennis Correspondent

Spectators at this year's Wimbledon

championships, from June 23

to July 5, will pay more, but can

look forward to less harassment

from crowd congestion. Players—

decreasingly familiar with grass

court tennis—will have better

practice facilities, fewer distractions

of court two, and more prize

money. The most drastic change

will be the use of four new courts

at the back of the Centre Court,

where a temporary stand will

seat some 740 people.

Everyone should have more

space because, in spite of expanded

facilities, the gates will still be

closed when 31,000 spectators have

been admitted. Air Chief Marshal

Sir Brian Burnell, chairman of the

championships committee, said

yesterday that Wimbledon are to

improve the grounds, to increase

the pressure, rather than to

reduce the crowd.

The system of different ticket

prices for each week, introduced

last year, has been taken further.

Seated in the Centre Court and

Court One, beginning at £5 and

£5 respectively, will rise by £1

every three days, except that on

the last day, the price will be

£10. For the last three

days, Admiralty to the ground

will be £2, instead of £1.50. The

most obvious increase in cost will

be in the car parks, which are

controlled by a separate company.

Parking will cost £3 instead of

£1.50.

Court two will have 381 more

seats. The accommodation will be

expanded to 15,345 to 17,573. The

championships will also contribute







## NEW BOOKS

## A chronicle of current events

History's Carnival  
A Dissident's Autobiography  
By Leonid Plyuschch  
(Harvill £9.50)

Dead souls is never dead. "The evaluation" of the manuscript, and the results of the evaluation," wrote Georgy Morozov, Dr. Kachayev, Professor Lunts and Senior Research Assistant Gartssev in June 1972, indicate that L. I. Plyuschch is suffering from a mental illness.

For all their tremulous and cowardly non-sequiturs, the hack shrinks were right about one thing: he was a danger to

society. A young Ukrainian cyberneticist of some distinction, Leonid Plyuschch had begun reading samizdat literature in 1962 and working positively for its dissemination about five years later. In 1972, after years of surveillance and playfully false allegations, he was arrested and interrogated by the KGB. He was shut up in a psychiatric hospital, where he was kept for nearly four years in the company of criminals and abused lunatics, and placed under a regime of depressive drugs designed to rid his mind of his "dissident" ideas. He was released in 1976, but his family and friends feared for his life. After a campaign of exhortation, he was eventually released and packed off to his family, to Israel. They now

live in Norway, whose decency and comparative calm still move and delight him.

This horrible story of dissidence, cruelty and persecution in the post-Khrushchev era is the subject of *History's Carnival*. The KGB failed to destroy Plyuschch's mind: clear from the very existence of the book. Though somewhat discursive in comment and chronology, it cannot be easy to order the patterns of the past without papers of any kind—it is extremely informative on the history and personalities of dissent in Russia's third city, Kiev, and is the work of a tirelessly curious and developing intelligence which has retained its faith in a Marxist future through an astonishing series of explorations and setbacks.

Two messages—neither, alas, new but none the less urgent for that—resound through the book. The first is that the

Soviet Union is falsely constructed on an ideology imperfectly applied and now in irreversible decline, betraying Marx, Communism, and the laws of its own constitution. Only by forcing the regime to acknowledge its own lawlessness will change ever be made. The second—without which the first would be of purely local application—is that only in the overthrow of individualism, socialism and the rebirth of self-interest, does the salvation of humanity lie. Of this in his own life and experience he writes, as throughout, with an accuracy and wit that are rare in Soviet literature.

Like Solzhenitsyn, whom he reverses, he is profoundly dis-

mayed by what he sees as the collapse of responsible or respectable authority since Nietzsche observed and announced the death of God. Unlike his hero, however, he does not believe that the Christian God is still alive—he is almost as much bewildered as moved by his meetings with Baptists in a wood outside Kiev—but neither, despite his beliefs and achievements, is he convinced that science, beauty or Marx has succeeded in filling the gap. Only a complete and painstaking renaissance of humanism, stone by stone, can do that.

In this process the written word remains of supreme importance, and indeed the interdependence of literature and life in Soviet Russia informs this book. It is precisely because of this that the authorities insist on its not being translated in print, and the eternal cycle of Russian literature and history—

Michael Ratcliffe

## Mental element in cases of child neglect

Regina v Sheppard  
Before Lord Justice Bridge and Mr Justice Woolf  
[Judgment delivered January 15]

The House of Lords in *Regina v Sheppard* (1979) 1 All ER 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049, 1050, 1051, 1052, 1053, 1054, 1055, 1056, 1057, 1058, 1059, 1060, 1061, 1062, 1063, 1064, 1065, 1066, 1067, 1068, 1069, 1070, 1071, 1072, 1073, 1074, 1075, 1076, 1077, 1078, 1079, 1080, 1081, 1082, 1083, 1084, 1085, 1086, 1087, 1088, 1089, 1090, 1091, 1092, 1093, 1094, 1095, 1096, 1097, 1098, 1099, 1100, 1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1109, 1110, 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1119, 1120, 1121, 1122, 1123, 1124, 1125, 1126, 1127, 1128, 1129, 1130, 1131, 1132, 1133, 1134, 1135, 1136, 1137, 1138, 1139, 1140, 1141, 1142, 1143, 1144, 1145, 1146, 1147, 1148, 1149, 1150, 1151, 1152, 1153, 1154, 1155, 1156, 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2817, 2818, 2819, 2820, 28







Ronald Butt

# The strange case of Labour's protected infiltrators

With the moderates appearing to have increasingly little to say that carries conviction there is a vacuum in the centre of Labour thinking

It is not difficult to understand why Fleet Street has been fascinated by the story of the "Trotskyist" infiltration of the Labour Party. It is a tale with a concrete plot that is easily grasped and presented. It is an action story, and above all it has documents which can be discovered and revealed, and whose attempted suppression is itself news.

Yet in essence it is not a new story. Far from it. Sir Harold Wilson, when he was Prime Minister, warned the Labour conference in 1975 of extremist infiltration of the constituency organisations and at successive annual Labour conferences since then, the infiltration of the "Trots" has been a cause for concern.

There has also been a series of attempts to oust moderate MPs in which the Militant tendency has been heavily involved. This year a climax was reached when the extremists secured their conference victory for the first time in the re-election of Labour MPs, as well as for giving authority over the Labour manifesto to the left-wing National Executive Committee instead of the parliamentary leadership.

The emergence of material from old reports on Militant infiltration has usefully put flesh on the bones of an old story, thanks to the request of Mr Neville Sandelson, himself a beleaguered Labour moderate MP, that they should be published, and similar insistence by Lord Underhill, who was Labour's National Agent at the time, and who is familiar with the evidence. The NEC having refused, Lord Underhill has been going it alone.

Yet the danger is that the focus of press attention on the Militant tendency will distract attention from the real question: why and how have the Trotskyist infiltrators been protected for so long by the NEC? The short answer is, of course, that the NEC itself is now in the hands of a left-wing majority (though not as an all-out Trotskyist variety) as a result of the left's success in recent years in taking control of a number of important unions and of constituency parties, and thus dominating

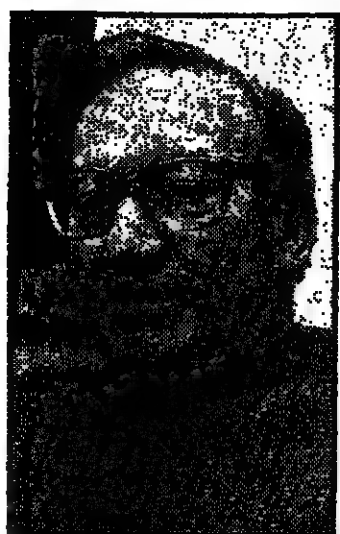
the party conference which elects the NEC.

In this way, a situation has been created in sharp contrast to that of the 1950s, when a moderate NEC and moderate unions were the bulwark of a moderate parliamentary party.

This answer, however, does not explain what lies beneath the surface facts. Indeed, this is not easily explicable because there were no documents to be revealed and "facts" are hard to come by. There is only a mass of circumstantial evidence provided by the actions and statements by individuals. Those who operate according to a concrete strategy are the least likely to risk their thoughts on paper; others, including those who are most useful to the clear-sighted because they are bridge-builders, probably have no completely thought-out place of destination.

What they do have is a response to a prevailing climate in the party and a general sense of direction. Some take it as a conviction that it will lead them towards political power in the future; others because they are responding for one reason or another to the same principles as that which animated their predecessors in the 1930s—the conviction (to borrow the words of Mr A. P. Taylor in his account of the Labour Party in this period) that there are "no enemies on the left".

This is the dominant conviction on the NEC today. There are some who are for all practical purposes communists, who think that the future lies with the Soviet Union, as saying that they belong to any party of that name; others are Marxist in broad sentiment, and while they profess to believe that the government of the Soviet Union is a deforma-



Lord Underhill going it alone

tion of their creed, they would recoil with dismay if asked to agree that the replacement of that system would be beneficial to those who have to live under Russian communism.

In the House of Commons this week, despite Afghanistan, we had Mr Frank Ailsworth (a member of the NEC) telling the Prime Minister that we should take a softer line towards Russia over defence. No enemies on the left, indeed!

The success of the left arises in part from the failure since 1964 of the kind of social democracy attempted by Sir Harold Wilson and Mr Callaghan to deliver reasonable prosperity, or to control the mixed economy, culminating in the collapse of the attempt to deal with the unions over wages and inflation last winter.

With the Labour moderates appearing to have increasingly little to say that carries conviction, there is a vacuum in the centre of Labour thinking, just as there was in the 1930s after Ramsay MacDonald, finding that he could not manage the economy on Labour terms, joined the National Government, taking countless Labour voters with very few party members, with him.

What followed was the period of the Popular Front mentality: of the intellectual ideas of Laski and Strachey (both virtually communists). From this about was only rescued when the war gave the moderate leaders a share of responsibility and office, which won them their 1945 landslide.

We are now back with the "popular front" or united left mentality again, and it is in the hands of the moderate left, the clearer-sighted hard-line Marxists of the Militant tendency that should concern us more than the details of the militants' plotting.

What matters is the alliance of the old and the new. The Militant left can be called "fellow-travellers" with clever bridge-builders like Mr Eric Heffer, and with Mr Wedgewood Benn (who though not a Marxist himself, sprang to defend the appointment of the Trotskyist Mr Andy Bevan as Labour's National Youth Officer). (His argument was that Marxism was part of Labour's intellectual heritage—as though there were no distinction between a trans-historical Marxism and the sort of calculated infiltration by undiluted Marxists.)

All these have sought to protect the Militant tendency in its clever device of avoiding infringement of party rules against separate organizations by basing its own arrangements on the readership and circulation structure of its newspaper. Why has their been no reaction to the Militant's control of Labour's Young Socialists? Why is information about Militant activities suppressed? It is not that the Militant tendency on its own could achieve much. It is questionable whether the Trots could out any Labour MPs on their own; they are certainly not strong enough to substitute their own replacements for the ousted "Trots" remain deeply divided into factions, as they have been since the end of the war, between those who opt for infiltration ("entryism"), those who prefer extra-parliamentary and on-the-street activities, and those who think in terms of their own candidates and organization. The "Trots" do not really understand power, but they are useful to those who do.

They can, for instance, recruit young people to their cause when the more disciplined hard-left cannot, and they can employ the recruits on disruptive action that the traditional left cannot do. They can act as a kind of commando outfit when an attack is to be launched on a moderate Labour MP. Not least, they can distract attention from the old left-left which secured the united left dominance of the party in the years before 1970, when the parliamentary leadership was too busy with office to notice.

Distracting attention is, indeed, what the revelations about the "Trots" are doing now. The Militant is taking the bait, but what about the old hard-left which remains unchanged and its avowed sympathies unprobed? In a way, one can understand why the hard-left escaped so easily. They do not, after all, have to wage war to get control of the Labour Party.

By their manipulation of a variety of elements at a time of deep national and party disillusion, they are on the brink of controlling already, and their dominance remains effectively unchallenged. What, in these circumstances, are the moderates to do? I shall discuss some of their options next week.

# The collapse of America's 'generation of peace'

Patrick Brogan on the failure of a decade of American foreign policy

In a television interview broadcast on New Year's eve, President Carter said that the Soviet invasion of Afghanistan "has made a most dramatic change in my opinion of what the Soviet's ultimate goals are, than anything they've done in the previous time that I've been in office." The President was clearly outraged, much as Mr Neville Chamberlain was outraged in September, 1939, when he announced on the wireless that he had discovered that Herr Hitler was not a reasonable statesman after all.

The comparison is unkind, but necessary. The one redeeming consequence of the Iranian and Afghan catastrophes is that they may, at last, have woken up the President and public opinion to the complete failure of a decade's foreign policy.

In the early seventies, President Nixon and Dr Kissinger promised us a generation of peace. They believed that their negotiations with the Soviet Union, combined with a staunch defence of American interests, would end the cold war once and for all. They were the apostles of détente.

They were less easily gulled by Soviet promises, and took Soviet actions more seriously, than Senator McGovern or later, Mr Andrew Young and Mr Cyrus Vance. President Ford and Dr Kissinger wanted to try to stop the Soviet annexation of Angola and were wary of Republican years. They went through the motions of trying to save South Vietnam, Cambodia and Laos in 1975 but acquiesced in Congress's refusal to help.

Behind it all, they believed that the Soviet Union was a country that was arming itself to the teeth in a contradiction in terms. They signed the Helsinki agreement, and watched with indifference as Russia ignored its provisions.

Mr Carter, of course, came into office with a promise to cut defence spending. His United Nations Ambassador, Mr Andrew Young, thought the Cubans were a stabilizing influence on Africa, and the influence of the Soviet Union did nothing to stop the communication of Ethiopia, Aden and Afghanistan. The continuing expansion of the Soviet arsenal continued. In Ethiopia, the Russians air-lifted an entire armoured division over a range of impassable mountains, putting it down in the desert in the rear of the Somalis, who were thus defeated. Mr Carter cancelled the B-1 bomber.

Shorty after taking office, Mr Carter thought that the Russians might be willing to reduce their armaments substantially if he asked nicely. He did, and they weren't. Then he invited them to take part in settling the Middle East problems. They were delighted at the idea, which was repudiated by Egyptians and Israelis alike. They engineered communist coups in Aden and Afghanistan. The Seychelles went early in 1977.

President Carter decided that human rights were the most important thing for American foreign policy, and therefore set about offending a number of minor dictators, while praising important ones. He praised the Shah of Iran effectively (for which the Iranians have not forgiven him). But the following summer, 1978, when it became apparent that the Shah's days were numbered, could not decide whether to support him to the limit or to ditch him, finding some tough-minded general to replace him.

Iran is the greatest defeat for American policy since the fall of Saigon in 1975. As a result, of course, the Shah was overthrown and replaced by the implacable Ayatollah. Mr Carter tried to ingratiate himself with the new regime by selling refined oil products and food, and by expressing willingness to pursue relations at any level the Ayatollah wanted.

The revolution in Iran is clearly the greatest defeat for American foreign policy since the fall of Saigon in 1975. Indeed, its consequences may be much more serious. It may take a war to save the Middle East from communism, which is a prospect grim enough to damn anyone. We will see soon enough whether President Carter will face that prospect or whether the American people will follow him.

What was to be a "generation of peace" at the beginning of the decade had narrowed down to Salt 2 by the end of it. The argument in Salt's favour is that, if it is kept, it will put a limit on nuclear spending and preserve some sort of parity between the two superpowers. If it fails, then Russia might soon have a clear superiority over America in strategic as well as conventional weapons.

that protestations of America's defence capability seemed to none were enough to ensure continued unity with the Soviet Union. Mr Nixon abolished the draft.

Then came Mr Jimmy Carter. His diplomacy over three years had been a history of disasters, with the one glowing exception of the Camp David treaty. On that occasion President Sadat, rightly foreseeing the coming storm, and recognizing that his only hope was an American alliance, settled his quarrel with Israel. Mr Carter persuaded Israel to agree.

For the first time, America has suggested that Japan should look to its own defence, and the Europeans are being told that American power may no longer be enough to protect them. The 1980s are going to be exceedingly dangerous, and Europe may have to build a real defence. Whether it will do so depends in large part on the consistency of American leadership. Mr Carter's dithering over the neutron bomb was a bad omen.

Mr Nixon, Mr Ford and Dr Kissinger bear a heavy responsibility for advocating the doctrine that negotiating skill and linkage would keep the Russians in order and

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The argument against it is that it enshrines American inferiority and that a nation that enshrines its inferiority, done across the world in the past few years cannot be trusted in a matter so important as strategic arms. Mr Carter has abandoned Salt 2. The last surviving fragment of détente.

The crisis in the Middle East is just beginning, and Mr Carter will lay out a "Carter doctrine" to deal with it. "Thus far and no further," he will say and then propose concrete measures to make the situation credible. Meanwhile, President Tito, Josip Broz, and the remnants of America's reaction to the invasion of Afghanistan will certainly be taken into account by the Russians as they look at the Balkans.

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Bernard Levin

# A gold for walking out of the Games

The response from both Nato and the EEC to the Soviet occupation of Afghanistan makes me almost despair of freedom itself. Of course, no serious observer of the international scene would expect the French to behave in any way other than the most dishonourable that the situation permits, but the speech of M François-Poncet in which he argued that as America did not normally supply butter to the Soviet Union the EEC would not be undermining the American position by keeping up its own sales of surplus butter, went even further than expectation. But the rest of the EEC, with the exception of Britain, behaved little better. It is clear that the discussion was largely based on the premise that the invasion was nothing to do with Europe, and that if the United States wanted to do something about it, Europe had no higher duty than to refrain from actively hindering her efforts.

Elsewhere in Brussels, the Nato ministers likewise confined themselves to the view that some appropriate words would be a sufficient response to the aggression, and that to accompany the words by any kind of deeds would be inappropriate. Much credit goes to Britain's representatives at the two meetings—Mr Douglas Hurd at the EEC and Sir Ian Gilmour at Nato—for their forthright and strenuous efforts to achieve unity and action, as indeed it goes to Thatcher for her leadership in her reaction to the invasion, and the persistence with which they are fighting to persuade the more raven, visionless and treacherous of our allies that it is our crisis just as much as America's and possibly more so.

Perhaps they will fail in their endeavour. But as I said yesterday, there is one useful action the West can take, and which, even given the positive unwillingness to take more steps, might still be agreed upon. It is to ensure that the 1980 Olympics do not take place in Moscow if they take place at all. None of the other measures would in any case bring home in the same way to the Soviet people as a whole the fact that their leaders have led them into dangerous paths for no good reason, and have been lying about it ever since. If the Soviet people go hungry because of a shortage of grain, it will not be the first time they have gone hungry, and in any case they are unlikely to connect the cause with the effect. The same is true, *mutatis mutandis*, of any embargo on technology, and generally of almost all the measures that have been acted upon, proposed or considered.

The cancellation of the Olympics, however, is another matter. By now, it is safe to say, every inhabitant of every part of the Soviet Union, apart from infants too young to understand, knows that the Olympics is to take place in their country, that athletes from virtually every country in the world will be taking part, and that Soviet competitors have a very good chance of carrying off many of the medals. It would be quite impossible for the Soviet leaders to conceal from their people the fact that the Olympics had been cancelled, and if the countries of Nato and the EEC pulled out, together with say, Australia, New Zealand, China, Japan, Spain, Austria and a few of the nations of Latin America and the Middle East, the Soviet Union would be virtually

bound to abandon the games entirely. Now, why should we take such action, how can we do so, and what good would it do? My own feeling is that the 1980 Olympics have never been awarded to the Soviet Union in the first place. Indeed, if the International Olympic Committee bothered to apply its own rules, the Soviet Union could not have been chosen for the games, as Soviet Olympic athletes are almost if not entirely without exception, professionals. (But the International Olympic Committee doesn't seem very interested in the rules; Mr Trudeau broke them by excluding the Taiwan team from the Montreal Games, and was allowed to get away with it.)

It is not, however, necessary to rely on the breach of such rules to make the case for refusing the games to the Soviet Union. The hideous and exactly parallel case of the Berlin Olympics of 1936 should have been sufficient warning for the world; the only instance in the world's history of a tyranny that compared in evil to the Soviet one was then allowed to stage a festival devoted to innocence, peace, individual achievement and friendly rivalry, and to turn it into a huge propaganda advertisement on behalf of Nazism. As a matter of fact, on that occasion there was an excuse: the games were awarded to Berlin in the early summer of 1932, before Hitler had even come into power, let alone before the full horrors of Nazism were apparent. But when the 1980 Olympics were given to Moscow, the full horror of Soviet Communism had been known in the uttermost depths of its evil for much more than a human generation; the concentration-camps, the tyranny pervading every aspect of life, the

persecution of dissidents and of those who wish to emigrate, the cruelty, the imperialist oppression beyond the Soviet borders, the censorship of every published word—all these were known in the greatest possible detail, and so, for that matter, was the officially encouraged anti-semitism, in case it is necessary to make the parallel even closer.

And it has just been announced in Moscow that no western newspaper magazines will be allowed into the Soviet Union during the games; their present policy, of barring all press material from abroad other than approved communist publications (a breach, incidentally, of the Helsinki Agreement) will be maintained. Visitors from abroad will therefore be unable to read their own press; it is worth remarking that not even Hitler went as far as that in the Berlin Games.

All this goes for nothing; the Soviet Union wanted the Games for prestige and propaganda, and got them. It was, in the circumstances, hardly matter for surprise when, in due course, word filtered out that the 1980 Olympic mascot (a cuddly little bear) was being made by slave labour in Soviet concentration-camps, and even less surprising that the International Olympic Committee took no action even then.

Now, brazenly enough in the wake of the Soviet invasion of Afghanistan, they have no fresh ground for taking action, because the invasion by the Olympic host nation of one of its neighbours is not something prohibited by the rules of the games. If the games are to be called off, as a protest against the invasion, the displeasure at the invasion, and of

demonstrating that such aggression must be strongly and not just verbally, rebuked, it must be by the action of individual competing nations and of individual athletes.

The Olympic nations of the world have varying arrangements for regulating the actions of their participants. In Britain the government has no power to forbid British athletes to take part (short of such unthinkable action as confiscating their passports), but the British Olympic Committee, if its members were so minded and it were part of an international joint action, could and should call off British participation. At present they are still intoning their idiotic mantra "Politically-motivated boycotts are like witch-doctor casting spells, but it is not entirely impossible that they might acquire a backdoor or two in the coming months and join in a general move."

Of course, leadership will have to come from the United States, but at the moment leadership is coming from the United States. Though the games are still a good many months off, time is not on our side; the nearer we get to the Olympics, the more the pressure on let it go on, and the more the sense of outrage at the Soviet invasion. So we must hurry if it is to be done. It should be done; it can be done; now, what good would it do if it were done? First, of course, it would deprive the Soviet Union of a glorious feast of propaganda. Second, it would be a token—only that, truly, but an important one—of the world's anger at Brezhnev's Russian aggression and of its determination to make that anger felt. But the third reason is the most important, indeed the overwhelmingly important, one.

I have long been of the opinion, and as long proclaimed my belief, that the Soviet people are not fools. Millions of them know that they are unfree; that they are poor; that their rulers live well out of their suffering; many even know that there is a world elsewhere. Very few of them are brave enough to do or even say anything about this knowledge, by which I intend no criticism of their silence, for only a hero may call on another man to be heroic. But if their leaders had to admit that the Olympic Games, of which the Soviet people have been hearing day in and day out for four full years, are being cancelled, I do not believe that any amount of telling of any number of lies would serve to stop millions of the Soviet people—tens of millions this time—from taking the first silent, docile step, inside their hearts and minds, towards the full knowledge of the nature of the system they live and suffer under. I believe that for many it would be the last invisible step, and that for these the next one would be in the open. But that is not necessary; if a nation has begun to revolt in its heart then the thing against which the heart has turned is as a house built upon sand.

If that is so, then the Soviet invasion of Afghanistan could be the most disastrous step our enemies have taken for decades. But only, as I said yesterday, if the West unites, remains united, and takes the action to hand; much action has already been taken; now let us vow that this crowning action shall be taken, too, in full unity of purpose and full knowledge of what it could mean.

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## ARTS DIARY

### Mr West tries his hand at management

The actor-manager has become an almost extinct creature in these days of theatre companies run by directors, but the idea of combining performances with the artistic direction of the Old Vic does not worry Timothy West.

"The stage does not seem to be a bad place to run a company from," you have your finger on the pulse of what the audience and the company feel."

He thought performers were getting tired of "the hired actor syndrome" and wanted a bit more say in the world in which they worked. He also wanted to direct more himself but had found it difficult on a freelance basis. "After three years of thinking I'm something of a director, I have only one one-lunchtime play and a couple of one-lunchtime plays."

So he is deserting television and bending his energies to the difficult task of succeeding Toby Robertson at the Old Vic. Some plans have already been dropped: there will now not be any Old Vic productions until the end of the summer,

partly due to finance and partly to ensure that the relaunch of the company does not go off "at half steam".

The eventual programme will involve three acting companies, performing in London, on tour in Britain and on a big series of foreign tours. Among the plays will be *Macbeth*, with Peter O'Toole, and a production of *Trelawny of the Wells*, to celebrate the 100th anniversary of the opening of the Old Vic in its present form.

In the meantime Mr West has started rehearsals for what is virtually a one-man show, *Beecham*, which opens at the Apollo on January 29. Although physically unlike the conductor, he is already beginning to look the part, and the square jaw of the television Churchill is disappearing behind a Beecham garb.

### Musicians and the blacking rule

Members of the Musicians' Union who are unhappy about the policy which prevents non-union conductors from also playing with chamber orchestras, will have a chance to air their views at a special meeting next month.

Christopher Hogwood and

George Malcolm are among the non-union members who have regularly directed chamber orchestras from the keyboard but are now being blacked from playing alongside union members.

There have been protests about the policy, and also suggestions that it was causing members to lose concert and recording work, and so the union's Central London branch is holding a consultative meeting about the subject on February 14.

The branch secretary Bernard Parris said: "We have got to respond to the comments of members and others. There are obviously several points of view: some members have been concerned that it could affect them; others take the view that the rules should be more strongly enforced."

If the meeting makes any recommendation for a change of rule or policy, he said this would go to a regular branch meeting and could then go to national level for consideration.

### Censored plays in the vaults

It has always seemed a sad loss when a completed television play is banned. Producers

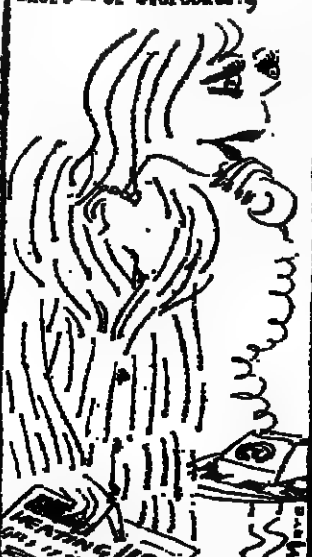
recognized as fine drama go unseen because they are deemed unsuitable for family audiences.

However many such programmes are finding a home where they will be available for viewing, at least on a limited basis. The National Film Archive is fast expanding its television collection and among its recent acquisitions are such banned plays as *Brimstone and Treacle*, *Censored Scenes from King Kong*, *Scum and Bang* and *Up Your Brightest Colours—The Life and Death of Michael Collins*.

While special clearance would still be needed for theatrical showings, most of the plays can be seen by researchers and other interested individuals.

A delegation of senior theatre officials from China is spending three weeks in Britain, viewing everything from *Evita* to *Amadeus*. However, for fear of embarrassment, the British Council has dropped one visit from their original itinerary: a performance of Richard III at the Roundhouse by the Russian company, which came from the USSR, Afghanistan strikes again.

"Are we wearing long or short—or overcoats?"



Alas for Christmas dreams: Andrew Paddie, the Labour Party's art spokesman, believes I was misleading in my report about possible Labour plans for the arts. "Drawing of a future cornucopia." He wants to en-

phazised that these were simply ideas under consideration and do not, in any way, represent promises. Exit cornucopia, stage left.

### Music for a leaning tower

Richard Rodney Bennett is in New York working "all out" to finish his new ballet, *Scorpio*. Although the full-length work will not be seen at Covent Garden until April next year, MacMillan made the music a year earlier so he can begin the detailed choreography.

Once *Scorpio* is complete, the composer will be turning his hand to a work for harp and strings which will receive its premiere in a Helle village church in Norfolk.

The choice of Burnham Market as the venue was made by a plea from an old friend of his, Lady Margaret Douglas-Hume, who runs a concert series in the village. She wanted the concerts in 1975, to raise money for the church restoration fund, and has combined young performers with the presentation of a new work each year.

"The tower of the church was falling down because of dry rot," she said, but the success of the concerts enabled them to carry out repairs.

The only trouble is that the adjacent tower is now settling. It looks as if it is toppling over. So the fund-raising concerts look set to continue for many years yet.

### All change for Telford & Co

When *Can You Hear Me at the Back?* finishes at the Piccadilly Theatre next month, Peter Barkworth and Hannah Gordon have a common intention: they want a break—both have been working solidly since they married the television series *Telford & Change* almost two years ago.

For Hannah Gordon, it will be an opportunity to look for something other than the naturalistic drama she has been doing recently. She certainly would not mind some film work: she developed a taste for it after a small part in the 1976 film *The Elephant Man*, which is being made in London, and while Peter Barkworth wants to do more television, and would also not say no to film work, he will be devoting much

more time to writing. His first book *About Acting* is due out in April, and he is working on another, provisionally entitled *An Actor's Diary*.

"I started writing diaries seriously in 1968; I wanted to record what it was like to be an actor," he said. "I write every morning while I'm having breakfast."

He was not sure how the book would work out. "I don't even know if it is interesting. I have written millions of words and I need a lot of time to read it and sift it." However, he was clear that the book would not be at all glamorous. "It will emphasize the hard work and the depressions actors go through."

After the closure of the West End last week of the play *Evita*, *MacMillan* is crossing the river to the National Theatre. He last performed with the company in two memorable productions at the Old Vic: *The Elephant Man*, which he wrote, and *The Elephant Man*, which he wrote. This time he will be appearing in a *Rattigan* double-bill, *The Browning Version* and *Shakespeare*.

Marion Huchery

مكازم التحصيل





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## THE IDEA OF A CENTRE PARTY

The British accept the arguments for a centre party but they are not yet ready actually to have one. That would seem to be the conclusion that should be drawn from the survey done by ORC for *The Times*. We commissioned the survey following Mr Roy Jenkins' Dimsdaley lecture, to examine the support for some of the propositions which were advanced or implied in his speech. The main arguments which he employed are accepted by substantial or very large majorities in the poll.

Although a small majority of Conservatives still believe that our present political system is working properly, both Labour and Liberal supporters believe that it is no longer working properly, by majorities of two to one. The overall majority for the view that the Labour Party is moving too far to the left is almost three to one, and almost half of Labour supporters themselves take that view. A smaller majority consider that the Conservative Party is moving too far to the right; that includes twenty-one per cent of Conservative supporters. Seventy-five per cent of those questioned agree with the proposition that the trade unions have too much power over the Labour Party and only seventeen per cent disagree. Seventy-two per cent would like a proportional reform of the electoral system and only thirteen per cent are opposed. There is indeed a substantial majority for electoral reform among supporters of all three parties.

These figures show conclusively that the arguments which Mr Jenkins used are regarded as valid by large majorities of the British people. When it comes to putting these arguments to any political effect, attitudes are sympathetic but much less clear. Less than a third are opposed to the idea of the formation of a centre party as such. Forty-two per cent of the electorate say that they would support the Liberals at a General Election if they thought they had a reasonable chance of winning. This is a statistic found before in opinion polling but the effect of a coalition of the centre would be to strengthen the belief that the Liberals could win. The Liberals have a problem not of sympathy but of credibility.

When one looks at the prospects for a centre party in a hypothetical election, it does not appear that a Lib-Lab coalition would be able to gain an immediate majority. On the other hand the figures do suggest that a Lib-Lab coalition might expect to hold the balance in a hung parliament. The advocates of a centre party could also take comfort from the fact that in this hypothetical election they come quite close to the Conservative and Labour parties. Labour 31 per cent, Conservative 29, centre party 23 would not be a satisfactory finishing position—though it is a higher percentage than the Liberal Party has in fact gained since the 1920s—but it would not be a bad starting position in an election campaign.

The Labour Party can also take comfort from this poll. A centre party, even if constructed from the right wing of the Labour Party, appears to draw almost as much support from the Conservatives as from Labour, and would at present leave Labour as just the largest party. The Labour Party can also be gratified that the public are strongly opposed to the idea of the Labour Party splitting. Even among Conservatives there is a majority against; only fourteen per cent of Labour voters think that a split would be a good thing. That does not mean that a split must not happen but it does indicate the reluctance with which Labour voters would support it. No one wants the Labour Party to split, and no split will happen unless the left attempt to assert a hegemony over the moderates.

It is very likely that Britain is due for another Liberal revival. The figures of Liberal support in the opinion polls are already edging upwards; the political climate seems at least as favourable to the Liberals as it did in January, 1971, six months into the last Conservative government. A major Liberal revival followed, as it had at the time of Torrington and Orpington. Yet the possibility, and indeed desirability, of a centre party taking part in that revival would seem to turn on future developments in the two major parties. If the Labour Party, under a new leader, moved back towards the main stream of British politics, the

threat of a split in the Labour Party could be eliminated. If the Labour Party continue to move to the left, they will be stretching the elastic near to or beyond its breaking point.

For the Conservative Party there is no substitute for success in government. If the Conservative Government are even reasonably successful in reducing inflation and in their general handling of the economy, Mrs Thatcher will win and will deserve to win the next General Election. From the national point of view that is highly desirable. The public view that the Conservative Party is too far to the right is still much weaker than the view that the Labour Party is too far to the left, yet economic failure would undoubtedly turn voters away from the Conservatives. If the Labour Party go further left, and Conservative economic policy fails, a centre alternative becomes a necessity, and also becomes possible. But neither of those two conditions yet exists.

There are however two points which have emerged from this poll to which all politicians ought to give serious and urgent consideration. They are two points on which public opinion shows over seventy per cent agreement. One is the issue of proportional representation, supported by a majority of more than five to one; the other is the issue of trade union power—in this case trade union power over the Labour Party—where the majority who regard it as excessive is over four to one.

Electoral reform and trade union reform are the great issues on which the public is right and both the big parties are wrong. What is more they stand together. Effective trade union reform requires a permanent majority to support it. Under a reformed electoral system a permanent majority for a free trade union law would inevitably come into existence. There would then be no point in the trade unions trying to reject the law, because they would have no reason to expect that they would be able to find a parliamentary majority to repeal it. These two major reforms are essential. If a centre party were to come into existence it would be of no value unless it were fully committed to both of them.

## A POLITICAL FIXTURE TO BE SCRATCHED

Athletes who have spent years training for the Moscow Olympics, and athletic bureaucrats who have spent years preparing the arrangements for them, are understandably irritated when, a mere seven months before they are due to start, there is talk of cancelling or boycotting them. They feel that, once again, politics is trying to interfere with harmless sport.

This notion that politics is something apart, a specialised area of life which concerns politicians but is irrelevant to ordinary people and their activities, is very widespread but quite illusory. All organized human activity is by definition political, and any internationally organized activity impinges on international relations in general. This was clearly recognized by the founder of the modern Olympic movement, Baron de Coubertin, who hoped that the Games would advance "the spirit of international comity". International sporting events, rightly used, can indeed promote better international relations. The corollary is that, wrongly used, they can also affect things for the worse. When that is the case, it is better to do without them.

It is now generally agreed that was the case in 1936, and that to allow the Olympics of that year to go ahead in Berlin was a mistake. It enabled Hitler to demonstrate to the German people, and to foreign governments still hesitating to treat him as a threat, that he had gone away internationally, both with his treatment of the Jews and with the reoccupation of the Rhineland and Locarno treaties.

It was not pure coincidence that the Olympics were closely followed by the creation of the Rome-Berlin Axis.

If this year's Olympics go ahead in Moscow as normal, the Soviet Union will similarly have got away with the seizure of Afghanistan, as it got away with its interventions in Hungary in 1956 and Czechoslovakia in 1968. The peoples of the Soviet Union will be left with the impression that all is well; that their country is not only powerful but generally respected and enjoys the friendship of the entire world: which of course is exactly the impression that their rulers in the Kremlin want them to have.

The decision to hold the Games in Moscow was taken in 1974, when détente was in its heyday. At that time we said it was "on balance good" that Moscow had been chosen, hoping it would promote free and genuine contact between the Russians and other peoples. By 1978 it was clear that, in spite of the Helsinki Final Act, human rights were not blossoming in the Soviet Union. If anything they were being more harshly suppressed. We warned then that western public support for an "open door" policy would rapidly die away if political repression in the Soviet Union continued to intensify, and that the Olympics could then be in danger. Since then political repression has certainly not lessened, and it has for some time been obvious that the Moscow Olympics were going to be an embarrassing event for free men and women to take part in. But until December 26 it was at least arguable that to withdraw would be more embarrassing and more

harmful than to go on. The flagrant aggression against Afghanistan has decisively tipped the balance of argument the other way.

Ideally the Games should be moved to somewhere else. If that is not possible at this late stage, they should be simply cancelled. Lord Killanin says his committee cannot do that, because it would involve breaking contracts. But the Soviet action in Afghanistan has broken more than contracts. The fact is that Lord Killanin's committee can take the decision if it has the will, and most of its members are well aware that sport is not outside the realm of politics. If the problem that would be incurred, the surely governments would underwrite them.

If the International Committee will not take this decision, the British Olympic Committee should take the decision to pull out. The Government cannot and should not take the decision for them but it should support them. In the case of the British Lions South African tour, clearly there should be no question of the Duke of Edinburgh or any other member of the Royal Family gracing Moscow with their presence. Mr Vance believes that in America "if the government expressed its views, our citizens would follow that view". Things are not so simple here, and that is just as well. But certainly each responsible sporting body concerned, and each individual athlete or would-be spectator, would have an obligation to consider carefully any views on this subject that the government puts forward.

## Turn of the crew

From Mr Jeremy Gann  
Sir, You may be thinking that British Rail is only discriminating against rush-hour bicycles. As I was boarding the 14.08 pm "Inter-City 125" at Exeter St David's bound for Paddington it was sternly announced: "Please stand clear, this train does not stop here; it is a crew change." Clearly their underlying philosophy is that stopping for passengers in general is too inefficient.

Need I add the train waited five minutes.  
Yours faithfully,  
JEREMY GANN,  
25 King Henry's Road,  
Lewes,  
Sussex.

## Vox pop

From Mrs S. Colbran  
Sir, I have been ignoring articles on Militant Tendency thinking it to be a pop group. Another lost illusion!  
Yours faithfully,  
S. COLBRAN,  
6 South Way,  
Lewes,  
Sussex.

## Assisted places scheme

From the Headmaster of Bolton School  
Sir, Mr Merlyn Rees (January 7) in his speech to the Rector of Cheltenham described the assisted places scheme as "immoral". He says that he does not believe that independent schools should, or should be, forced by law to accept a system in which inability to pay fees is an automatic bar to entry to many of the best schools in the country. Such a bar would seem to many much nearer to "immorality" than a scheme which enables the less well off to benefit from what these schools have to offer.

As for Mr Rees's implication that these schools are "irrelevant", he seems to be forgetting that much of the work in Nuffield science and in modern mathematics has been made in them; that they have made a considerable contribution to the teaching of foreign languages; and that as the Independent Schools' Information Service statistics show they are at least holding their own with the State in providing maintained schools. A point lost sight of in recent correspondence is that the assisted places scheme does not compel any

parent, or local education authority, or the Government, to do anything. The first step is for a parent to decide to apply for an assisted place: if the child is found capable of benefiting from the courses offered at the school, then, and only then, does any question of expenditure arise; and as it is means tested, it does not go where it is not needed. Furthermore, the figure of £55 million, which Mr Rees again quotes as if it will be the immediate expenditure, will be (in 1979 values) around £5 million.

Mr Rees again refers to the "two Englands". It would greatly help rational discussion of these proposals if critics could refrain from this kind of emotive propaganda, exemplified also in the current issue of *Where*, in which an article attacking contemporary independent schools is headed by the "two nations" photograph from *Picture Post* of 40 years ago. Just how irrelevant can one get?  
Yours faithfully,  
DAVID BAGGLEY,  
Bolton School,  
Bolton,  
Lancashire,  
January 7.

## Dying in police custody

From the Chairman of the Joint Committee of the Police Federation of England and Wales  
Sir, I am prepared to accept a magisterial rebuke from *The Times* leader, January 14, if it is justified by the facts. When, however, the criticism of myself and other police officers who have chosen to speak on behalf of the service is based on misrepresentation of the views expressed, some response is called for.

On a point of simple fact, I have not made any public comment on the circumstances surrounding the death of Mr James Kelly. I have criticised people who have jumped to conclusions before the police inquiry was completed, before the coroner had heard the evidence, and before the police had made his decision, and before the inquest had heard the evidence. My speech at Liverpool, to which you appeared to be referring, was in response to a vociferous campaign which alleged that police brutality was widespread among members of the Merseyside Police.

As to the specific question of deaths in police custody, may I set out the position as we see it? In 1978, there were 562,100 cases of persons being arrested by the police, of whom 24 died either in custody or after removal to hospital. I estimate that over the past 10 years something like four million people have been in police custody, and held in the remainder may be safely assumed that the coroner's decision not to hold an inquest was based on the available medical testimony.

Now that the names of all persons who have died in custody are to be published, to which I have no objection, is the next stage to be a mammoth fishing expedition, with all kinds of innuendo directed towards the officers who were concerned? What happens, in such a case, to the presumption of innocence, or are police officers not to enjoy the same civil liberties as other members of the community?

I do not accept that the police are dead to all criticism, nor do I believe that all critics of the police are malicious in intent. What I do expect is that people in responsible positions in public life, and the writers of editorials in newspapers, will, before leading their support to a particular campaign of this kind, we see all too ready these days to jump to the conclusion that the greater the clamour, the more valid the grievance.

Yours faithfully,  
JAMES JARDINE,  
Chairman,  
Joint Central Committee,  
Police Federation of England and Wales,  
15-17 Langley Road,  
Warrington,  
Suffolk,  
January 15.

## Hospital service cuts

From Mr A. M. MacArthur  
Sir, In today's *Times* (January 7) the article on hospital service cuts implies that the cuts in hospital services have had no important ill effect on the welfare of patients living outside London. My own experience as a cardiac surgeon at this London teaching hospital, however, is quite to the contrary and independent observations should be made. Lord Killanin says his committee cannot do that, because it would involve breaking contracts. But the Soviet action in Afghanistan has broken more than contracts. The fact is that Lord Killanin's committee can take the decision if it has the will, and most of its members are well aware that sport is not outside the realm of politics. If the problem that would be incurred, the surely governments would underwrite them.

In the year ending December, we performed 325 cardiac operations: the majority being cases of aortic valve or coronary disease. The vast majority of these patients came from outside London. Because of the cuts we are permitted to perform only 21 more operations between now and March 31. Our programme has been arranged to deal with the 21 most urgent cases selected from our waiting list, but we cannot make provision for unforeseeable emergencies.

A vaccine position has therefore arisen whereby some of these already urgent cases have had their operations cancelled to allow us to deal with emergencies requiring immediate surgery. Unlike those cases awaiting renal transplant the patient with an impending coronary thrombosis has no machine which can be used to buy time. Thus the good risk case becomes a desperate one.

I do not know what will happen to these people who are slipping farther and farther down the queue, but I am sure their prospects of a return to health cannot be good. The evidence does seem to show that these restrictions are abundantly clear to me and my colleagues but nowhere can I get any idea of how much money will in fact be saved by the cuts.

A heart operation has never been considered as a "saved" case, but how much is being "saved"? Meanwhile the whole team waits in enforced idleness, prevented from doing the work which we know is urgently needed by our patients. All this is done in the name of a saving which has been vaguely calculated and is probably illusory, anyway.  
Yours faithfully,  
A. M. MACARTHUR,  
King's College Hospital, SE5.

## London's third airport

From Professor R. T. Severn  
Sir, I would like to add two further practical points to Sir Colin Buchanan's excellent letter which you published on January 9. Both are concerned with the future well-being of the civil engineering industry, which, in 1976-77, for example, earned in excess of £2,000 million from overseas contracts.

The North Sea programme has given us valuable experience in offshore construction, which could be improved upon by the opportunity to build an airport at Mappin. Many of the world's major cities are on estuaries, and for them, as for us, offshore sites offer appreciable advantages. Laying concrete on flat agricultural land does not give us the experience which will to compete successfully for these and other exciting potential contracts overseas.

The importance which we should attach to regaining our position at

the frontiers of engineering has recently been stressed by the Finlayson Report, which rightly emphasises the training aspects for young engineers. But, in civil engineering at least, this training can only be achieved by involvement of the trainee in projects which call for the exercise of skills at or beyond the bounds of existing experience; projects such as an offshore airport. Neither should we forget that our young people are acutely conscious of the environmental impact of engineering, in all its forms, and this is certainly one reason for the better minds. A major airport at Stansted would do nothing to change this situation.

Yours faithfully,  
R. T. SEVERN,  
Professor of Civil Engineering,  
University of Bristol,  
University Walk,  
Bristol.

mediculous obedience, than anything else which takes place inside a police station. A very great personal responsibility rests upon all officers who, for the time being, are in charge of police cells. Every force requires prisoners to be visited at frequent intervals. There are instructions to be followed in the case of any prisoner who, on being taken into custody, shows signs of injury or illness. The prisoner poses special problems and requires additional supervision.

When, notwithstanding all sensible precautions, a prisoner dies, or is found to have injured himself or sustained injury whilst in custody, a most searching inquiry is conducted to ascertain whether any officers have carried out their responsibilities. It is in the knowledge that this is one area in which disciplinary authorities are not disposed to accept excuses for mistakes or negligence, still less for abuse of prisoners, that I and others have reacted so strongly against the general tenor of the current criticism.

Are we suddenly to assume that coroners, coroners' officers, pathologists and medical practitioners are all either fools or willing accomplices in what amounts to police murder? Every single case of a death in custody has been reported to the coroner. In over 90 per cent of the cases inquests have been held. In the remainder we may safely assume that the coroner's decision not to hold an inquest was based on the available medical testimony.

Now that the names of all persons who have died in custody are to be published, to which I have no objection, is the next stage to be a mammoth fishing expedition, with all kinds of innuendo directed towards the officers who were concerned? What happens, in such a case, to the presumption of innocence, or are police officers not to enjoy the same civil liberties as other members of the community?

I do not accept that the police are dead to all criticism, nor do I believe that all critics of the police are malicious in intent. What I do expect is that people in responsible positions in public life, and the writers of editorials in newspapers, will, before leading their support to a particular campaign of this kind, we see all too ready these days to jump to the conclusion that the greater the clamour, the more valid the grievance.

Yours faithfully,  
JAMES JARDINE,  
Chairman,  
Joint Central Committee,  
Police Federation of England and Wales,  
15-17 Langley Road,  
Warrington,  
Suffolk,  
January 15.

A vaccine position has therefore arisen whereby some of these already urgent cases have had their operations cancelled to allow us to deal with emergencies requiring immediate surgery. Unlike those cases awaiting renal transplant the patient with an impending coronary thrombosis has no machine which can be used to buy time. Thus the good risk case becomes a desperate one.

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A heart operation has never been considered as a "saved" case, but how much is being "saved"? Meanwhile the whole team waits in enforced idleness, prevented from doing the work which we know is urgently needed by our patients. All this is done in the name of a saving which has been vaguely calculated and is probably illusory, anyway.  
Yours faithfully,  
A. M. MACARTHUR,  
King's College Hospital, SE5.

An analysis of the figures for 1979 shows that there were 738 births announced in *The Times*, of whom 395 were boys and 363 were girls. Included among these was a substantial backlog of announcements from the earlier part of 1979, when *The Times* was not printed. The following summary shows the distribution of names in 1979:

One Two Three Four No Names Totals  
Boys: 53 170 95 4 74 395  
Girls: 74 191 52 2 44 363  
The number of sets of twins recorded in 1979 was 10, of whom three were boys, five were girls and two were mixed. The adoptive mothers were, made up of a boy and two girls.  
Yours faithfully,  
MARGARET BROWN,  
19 Wigginton Terrace,  
York.

Yours faithfully,  
MARGARET BROWN,  
19 Wigginton Terrace,  
York.

Yours faithfully,  
MARGARET BROWN,  
19 Wigginton Terrace,  
York.

## Pay proposals for coal and steel

From Sir Hugh Weeks  
Sir, Some comparisons, taken from the last annual report of the two corporations, are relevant to the very different proposals for pay by the British Steel Corporation and the National Coal Board.

First, on productivity. Comparing 1978-79 with three years earlier the output per man year in NCB declined by 3 per cent. For BSC crude steel output per man increased by 13 per cent; finished deliveries per man by nearly 11 per cent. Both increases were better than for manufacturing industry as a whole.

Secondly, on pay. The average pay for all employees for 1978-79 in both corporations differed very slightly; compared with the previous year there for NCB employees increased by 23 per cent; for BSC by 12 per cent.

Thirdly, on profits. The £309m loss by BSC for 1978-79 has been a matter of great concern, giving rise to a "subsidy" by taxpayers in general. NCB declared a loss for that year of only £19m but this was after taking credit for revenue subsidies by the government of £172m. So a comparable figure to the BSC loss would appear to be a true loss of £19m.

The loss by BSC in 1978-79 was £134m less than in the previous year, that for NCB before subsidies was £136m more. BSC, which has to meet import competition, was in a position to pay a bonus of £1m in 1978-79 in the coke and iron which it is unable to meet.

For coal, an industry which has been making an increased loss and whose productivity was declining, a 22 per cent increase in pay was agreed with what appears to be little resistance. The reaction to the low pay increases proposed for steel, whose productivity has been increasing and whose loss has lessened, has been a hardy struggle for miners and steel workers are largely concentrated in the same areas.

The very proper principles that there is not a bottomless pit for subsidies for nationalised industries and that the owners and workers should be paid for in large part by increased productivity do not seem to have been applied with equal justice.

Yours faithfully,  
HUGH WEEKS,  
8 The Grove,  
Highgate Village, N6.

From Mr David Crouch, MP for Canterbury (Conservative)  
Sir, I supported the miners in 1973 because I felt they had a case. The

## Christians and cults

From Mr N. P. Frampton  
Sir, Mr Clifford Longley's article of December 31 related to the case of Scientology calls for clarification in certain respects.

1. The Deo Gloria Trust is not militant as stated. We are interdenominational Christians engaged on various projects to promote the Christian faith which has brought us into this cult involvement. Therefore we seek to inform and advise all who are troubled by the new religious movements, many of whose leaders or gurus are recruiting young and old often by costly training programmes.

2. After the long history of litigation by the Scientologists in the United States and Europe, can we really accept that the activities evidenced by the Washington conspiracy against the Church of Scientology are not a "campaign against illegal and unethical psychiatric procedures employed by the CIA"? Surely nothing can justify a conspiracy to plant spies in Government agencies, break in and steal official documents and destroy the careers of officers. 3. Those convicted are not just convicts, but mostly top leaders of the Church of Scientology, and are said to include their Guardian and Guardian World Wide, in addition to the founder's wife, Mary Hubbard. This is a very serious charge, on the repeated statement that "the church does not condone lawbreaking". On the contrary Hubbard's Policy Letters contain many alarming instructions to his disciples on how to discredit and attack all who dare to criticize the Church.

## Boycotting the Olympics

From Commander F. W. Collins, RN (retired)  
Sir, The Olympic torch relay and the opening ceremony of the games are not part of the Olympic competitions. The relay was only instituted by the Germans in 1936 when it was, as it has continued to be, a fine publicity build-up for the opening ceremony.

The latter is the great opportunity for the host country to show the world its mastery of large-scale spectacular organization and entertainment, of which the visiting teams are a conspicuous part. After leaving the scene at the torch relay will presumably be confined to eastern bloc countries, but any nation can publicly express its disgust at Russia's Afghanistan invasion by boycotting the opening ceremony.

Though the International Olympic Committee are not likely to be swayed by the political opinions of anti-Russian governments, there is no IOC rule which says that com-

## Travelling in Russia

From Miss Nora Beloff  
Sir, Surely the BBC owes us an explanation about the scheduled programme *Journey through Russia* which it says is being "temporarily shelved" (*The Times*, January 15) because of events in Afghanistan.

According to the producer, this six-part documentary was made in collaboration with the Soviet Government and he is postponing its presentation for fear of "alienating" his viewers. From my own experience of a 5,000 kilometre journey through the USSR, I would suggest that a series purporting to convey a notion of travel in Russia which must be acceptable to the Soviet authorities would not merely "alienate" but gravely misinform British viewers. Regardless of Afghanistan, the programme should be shelved but scrapped.  
Yours faithfully,  
NORA BELOFF,  
11 Belsize Road, NW6,  
January 15.

Government did not agree. They had a case in argument and were determined to show who ran the nation. I was seen as a rebel.

How can anyone support the steelworkers today? The British Steel Corporation have an unanswerable case about low productivity and no money. Their chairman has said they are bankrupt and they could only afford a two per cent pay award, later raised to 5 per cent. Now he says it can be 12 per cent, providing productivity surpluses are attached.

As a mere politician, I confess to wondering if the management of the BSC is fit to solve the problem after such an inept approach. But the Government has said they are on their own and they will not intervene.

Not intervene? But they have intervened in the strongest way possible. They have tied the hands of the BSC with a rigid cash limit of £450 million. Rationalise or bust is the Government's message. Our steel industry is uncompetitive and is losing millions a month. 50,000 men must go. It is a hard decision but the argument is right.

It would be easy if we could leave it to the management and the unions. But can we? How can we stand aside and watch a harsh economic plan take its effect on the loyal workers of a great industry? They have not been on strike for over 50 years. There are no other jobs to offer them. This is not just an economic problem with an industrial answer. It is a social question in which the Government will have to play a major role. It is a vital industrial relations question that will determine the climate of government/union dealings for the decade.

This Government above all is the guardian of Israel's ideal of a nation, must not forget that tatter of its faith as it clings to its other beliefs from across the Atlantic. When Disraeli saw the gulf between the owners and the workers, he did not stand aside. Rather, he hoped that tourism would "rise from the tomb... to announce that power has only one duty: to secure the social welfare of the people".

He was a backbencher at the time and something of a rebel.  
Yours faithfully,  
DAVID CROUCH,  
House of Commons,  
January 15.

In the light of the above it is not good enough for the Home Secretary to consider lifting or modifying the present immigration ban. It should be remembered that the worldwide headquarters of the Church of Scientology are in Sussex and many of their policy directives emanate from the United Kingdom. No wonder Hubbard is anxious to come here with his key personnel, the Church having been discredited in many other countries.

The Government and police are already burdened with several legal actions by the Scientologists while two Scientologists in this country are appealing an extradition order for face burglary charges in Washington.

The Government should probe the strategy behind these aggressive tactics and study the evidence which suggests that they are dealing with a highly sophisticated organisation which while claiming to be a Church, seems prepared to break the law—albeit in the United States—in pursuit of its aims and objects. Is it right that an immigration ban should be lifted on such an organisation?

We have contacted a number of ex-Scientologists and anxious parents and relatives here and abroad and, because of this involvement, we ourselves are constantly denigrated and misrepresented as we know the facts and seek to enlighten people about the cults.  
Yours truly,  
K. P. FRAMPTON,  
Deo Gloria Trust,  
5/7 London Road,  
Bromley,  
Kent SE16 6JH,  
January 8.

petitors must take part in this ceremony, in fact those competing on the next day often do not, so such a boycott would not deny participation in his or her event to any athlete, but it would be a significant political act in what is now sadly an occasion of political glory for the host nation.

I am, Sir,  
Yours faithfully,  
F. W. COLLINS,  
Commander, 1948 Olympic Torch Relay,  
Stroborough Croft,  
St Cross, Winchester,  
January 15.

From Professor Robert Skidelsky  
Sir, I very much hope the Olympic Games take place in Moscow as planned, without boycott from British or other athletes.

Sport is a substitute for war. It should not be made into an instrument of war.  
Yours faithfully,  
ROBERT SKIDELSKY,  
University of Warwick.

## Access to Public Records

From Mr Michael S. Moss  
Sir, I must defend the Public Record Office against Mrs Leach's letter in your column of January 14. For her spirit of scholarship to be quenched by an additional 45 minute train journey from central London is a sad admission.

As a regular user of modern departmental files in the PRO's search rooms, both before and after the removal to Kew, I can only write in praise of the present facilities in comparison to the old. Before the shift to Kew it was not uncommon to wait for two or three hours for documents to arrive (even when ordered in advance) and sometimes whole days would be wasted with no production at all. I have experienced no such frustrations at Kew. I am happy to pay the additional £2 rail fare to escape from the miseries of the old days at Chancery Lane.

Yours sincerely,  
MICHAEL S. MOSS,  
University Archivist,  
University of Glasgow.







# THE TIMES

## BUSINESS NEWS

سكان من الجبل

Imports jolt  
Detroit's  
car makers;  
page 19

Where have  
all the  
craftsmen  
gone? page 17

**Stock markets**  
FT Ind 455.5 up 13.8  
FT Gilt 68.52 up 0.47

**Sterling**  
\$2.26775 down 971 points  
Index 71.7 down 0.3

**Dollar**  
Index 84.6, up 0.3

**Gold**  
\$755 an ounce up \$67.5

**3-month money**  
Inter-bank 16½ to 16¼  
Euro \$ 14½ to 14¼

### IN BRIEF

## Shell puts 4p on petrol price at pump

Shell has announced a 4p increase in the price of its petrol without having agreed with the British National Oil Corporation on the cost of North Sea oil, which makes up half of its United Kingdom crude requirements.

The 4p rise, which was imposed on the average Shell pump price, making the charge for four star 122p, some 4p or 3p cheaper than the average price of BP petrol, which was raised by a similar amount earlier this week.

### Property transfer

English Property Corporation, now controlled by the Canadian group, Olympia & York Developments led by the Reichman family, has transferred to a wholly-owned subsidiary of its parent EPC's offshoot Star Great Britain Overseas Holdings. Holdings has half of Trizec, a Canadian real estate company, and newly acquired quarter of Landmark Land, a United States property company. EPC receives \$54m.

### TV revenue down

Commercial television revenue in December was £50.3m, reflecting the continued pressure from advertisers following the blackout of screens earlier in the year. It was a slight reduction on the November revenue of £52m.

### Builders more hopeful

Confidence among private house-builders in future demand is growing, according to a survey carried out by the Department of the Environment. In November builders expected to start work on 145,000 private homes in 1980. Six months earlier, they were expecting 140,000 start.

### 600 laid off

Loss of 600 jobs at Borg-Warner, the automatic transmission manufacturers, has been blamed on the drop in the number of cars being built in Britain. The company, whose headquarters are in Luton, said that car manufacturers were holding huge stocks of transmissions unused during the engineering strike last summer.

### 3-year expansion plan

Crown Pulp is to spend \$3m on the expansion of its factory in Darwen, Lancashire. Mr Peter Burns, the managing director, said yesterday. The three-year plan, which will increase plant output by 28 per cent, involves the merging of the present three separate production departments into a single unit.

### MG bid today

BL executives are expected to receive today a formal offer from the consortium, led by Aston Martin Lagonda, to buy the MG sports car factory at Abingdon in Oxfordshire.

### Penguin redundancies

Penguin Books, which lost \$475,000 in the first six months of last year, is to make about 50 employees redundant and cut its publishing programme by 22 per cent.

### Wall Street down 3.41

The New York Stock Exchange saw profit taking on a large turnover of 67 million shares. The Dow Jones industrial average fell 3.41 to 865.19.

### PRICE CHANGES

Rises	Falls
Imperial Rand 28p to 39p	Allied Colloids 12p to 12p
Castell 33p to 41p	Ass Paper 3p to 3p
First Nat Fin 34p to 35p	Carroll Vix 15p to 15p
Leslie 38c to 37c	Deca 15p to 15p
Lydenburg 35p to 35p	Marivale 5c to 35c
Merals Explor 3p to 5p	Marshall T Lox 2p to 3p
Movion 4p to 24p	Mettay 3p to 29p
MTD (Manganese) 17p to 11p	Nitgate Explor 30p to 30p
Pretoria P. Cem 40p to 30p	Vosper 17p to 15p
Seatrut 40c to 70c	Western Areas 5c to 90c
Bank buys 11.12	Bank sells 11.12
Bank buys 2.11	Bank sells 2.11
Australia \$ 29.90	Belgium Fr 68.25
Canada \$ 12.75	Denmark Kr 8.74
Finland Mk 4.32	France Fr 9.54
Germany Dm 101.00	Greece Dr 10.80
Hongkong \$ 11.50	Italy Lira 1965.00
Japan Yu 368.00	Netherlands Gld 4.30

## Three-year profit targets force huge increases in gas and electricity prices

By Nicholas Hirst  
Energy Correspondent

Huge price rises are on the way for electricity and gas consumers. Mr David Howell, the Secretary of State for Energy, told the House of Commons yesterday that over the next three years domestic gas prices would have to rise at an annual rate of 10 per cent more than the rate of inflation and electricity prices by 5 per cent more.

Even on the conservative estimates of inflation prepared by the London Business School the mean rise by 1983 gas prices will have increased by more than 80 per cent and electricity by nearly 60 per cent. On more pessimistic assumptions gas prices could well double over the period.

Over the next 12 months consumers will face two increases. Domestic gas prices will rise by 17 per cent on April 1 with a further 10 per cent to come in October and domestic electricity prices will rise by around 17.5 per cent, varying slightly from region to region, with a further 5 per cent in October.

Most of the inflation element of the increases will thus be implemented at the start of the gas and electricity industries' financial year.

Government has imposed the need for the rises on a willing British Gas Corporation and Electricity Council by fixing financial targets for both groups requiring them to make substantial profits.

The return on British Gas's assets is set at a target of 9 per cent in real terms, a sharp increase on the 6 per cent it achieved in 1978-79 when the corporation made a record inflation-adjusted profit of £360.7m.

The scale of profits by British Gas, which has started to make a net contribution to the Exchequer, has been widely

attacked, particularly by consumer groups.

The electricity industry in England and Wales, which made a real loss of £166m in its last financial year, is required to make an average real return on assets of 1.8 per cent—a much lower target than for gas and one which recognises the industry's higher costs.

Mr Howell told MPs that the price consumers paid for fuels must reflect their value and take into account the fact that their supply was limited.

"We must conserve our scarce energy supplies for future generations," he said. "After a year in which crude oil supplies have risen by 100 per cent or more, this is bound to mean heavy increases in other fuel prices."

Dr David Owen, Opposition Energy spokesman, described the figures as "astronomical" while Mr Wedgwood Benn, former Energy Secretary, said the resulting rise in industrial costs would lead to further difficulties in exporting and maintaining employment.

In the long run what Britain needs is a powerful manufacturing industry, on which it can rely when oil runs out," Mr Benn said.

Mr Howell's statement is welcomed by both the gas corporation and the electricity authorities. The electricity authorities have long thought that domestic gas was priced too low in comparison with its alternatives and the gas corporation faces increasingly higher costs in obtaining supplies from the fields of the northern North Sea.

Domestic gas prices rose by 10 per cent in April, 1977, and then by 8 per cent in June, 1978, but in real terms declined by more than 15 per cent in that period. The domestic market will only break even this year while industrial consumers have been forced to bear the brunt of all price

increases. Industry groups have complained of the unfairness of their subsidising domestic users and the new rises will go some way to correct this.

Neither electricity nor gas is expected to meet its new financial target in the first of the three years for which it is imposed. Both industries have pushed for a target, however, to which they could work over a reasonable period and believe they have received what they wanted.

Mr Howell recognized that in imposing a clear financial discipline on the industries, adjustments to higher prices could cause serious problems for many consumers, especially the old and the poor. The new scheme of assistance with heating costs announced by Mr Patrick Jenkin, Secretary of State for Social Services, on October 22 was designed to provide help for those most in need. The whole range of assistance is being reviewed.

There were five reasons, Mr Howell said, why domestic gas prices had to rise. If the price were too low supplies would be burned too quickly, forcing the nation to use more expensive energy sources; in the short term low prices could cause surges in peak demand which could not be met; gas from the new North Sea fields was more expensive than earlier supplies; a sensible approach to pricing was vital to achieve a proper balance between all consumers of gas and low prices concentrated the benefits on one section of the population to the disadvantage of the rest.

Electricity prices had to rise so that they reflected the economic use of the resources consumed. They would need to rise by 5 per cent above the inflation rate to cover the element of costs in fuel and the National Coal Board, the industry's biggest supplier, has agreed to keep its prices within the rate of inflation.

## Warning of more cuts in sugar refining

By Richard Allen

Lord Jellicoe, chairman of Tate & Lyle, said yesterday that further cutbacks in United Kingdom sugar refining could be necessary this year unless current EEC proposals to reduce beet production quotas are allowed to go through.

Ministers are expected to discuss the latest round of sugar quotas, covering the period up to 1985, at a meeting in Brussels next week.

The proposals, which call for a reduction of around 71 per cent in European sugar production, are expected to be vigorously opposed by Mr Peter Walker, Minister of Agriculture, as they could force Britain to import more expensive sugar from the continent.

The British Sugar Corporation has already hinted that it could be forced to cut back its own quota to something under 1.2 million tons a year could threaten 2,500 jobs in the beet industry.

Tate & Lyle, however, has always welcomed the prospect, saying that it could lead to greater price stability in Europe and rid the EEC of a sugar mountain running to three million tons a year.

Lord Jellicoe said that if the proposals were abandoned and the corporation was able to reach its production target of 1.3 million tons, Tate & Lyle might have to cut its output by 300,000 tons.

Tate & Lyle, which reported a profits jump from £24.6m to £26.2m for the year to last September, has already cut its production capacity by 650,000 tons since 1977, with a series of closures of Walkers refinery at Greenock, Strathclyde, in November.

As a result of the rationalization, trading profits from sugar refining recovered from £1.2m to £5.4m over the year.

## Public sector leading way on wage rises

By David Blake  
Economics Editor

Britain is leading for an increase in pay at least as great during the current pay round as during the last one and the public sector seems to be leading the way.

Average earnings in November are estimated to have risen 15.2 per cent higher than a year earlier for the 21 million people covered by the Department of Employment's new index for earnings figures.

The increase compares with one of 17 per cent in the year to October, but it is higher than the 14 per cent rise in the new index as a result of Government pay policies holding down the earnings of the public sector more effectively than they restrained private sector pay. This year the reverse is true. The old index rose by 18.3 per cent in the year to November, which is 0.9 percentage points below the increase on the new index.

The impact of the various Cleary comparisons study is expected to push up the vital earnings index by about 2 per cent over the year.

The latest figures show that in November average earnings overtook the increase in retail prices for the first time with increases in prices of 17.4 per cent falling considerably below the increase in earnings.

Table, page 21 members' products.

deescalation of pay. This is particularly true in the public sector, where the miners settled for about 20 per cent. The new index of average earnings is much broader based than the older series which covers only 11 million workers. Much of the difference is accounted for by workers in the public sector.

There has been a tendency in recent years for the old index to rise more quickly than the new index as a result of Government pay policies holding down the earnings of the public sector more effectively than they restrained private sector pay.

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Table, page 21 members' products.

## Gold at \$755 after biggest jump ever

By Caroline Atkinson

More records were smashed on the world's bullion markets yesterday as the gold price soared yet again. After passing \$700 an ounce in New York overnight, it shot to \$765 at the morning fix in London. The \$77.5 jump from Tuesday's close was the largest recorded on a single day.

Although some of the ardour cooled during the day, the price still ended \$67.5 higher at \$755 an ounce. Hectic dealing characterized the morning session in London. The price went from \$741 to \$775 at one stage. Its closing price in New last night was \$745.

The jump was triggered by news that America was not planning to hold more gold auctions for the time being. This was contrary to market expectations.

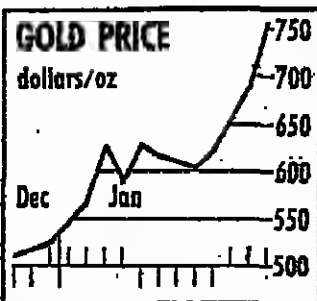
Dealers said business was heavy, although no figures for turnover on the gold market are available. Gold is traded almost without national barriers. Price movements in London are continued in New York and then the action moves to the Far East and Hong Kong.

Recent price movements have an air of unreality, and no one is willing to guess where the price will go next.

International tensions have fuelled demand for gold—a traditional hedge against political instability.

It is now worth \$228.5 an ounce more than at the end of last year—an astonishing rise of more than two fifths in just over two weeks.

Despite the rush into gold, the dollar remained surpris-



ingly strong. However, it slipped towards the end of the day.

Sterling moved against the trend, losing nearly a cent against the dollar to close at \$2.26775. It was 0.3 points down on the effective index to 71.7 per cent of its end 1971 value.

Against other currencies the dollar dropped slightly in DM, 1.7215, and Swiss francs 1.584.

Michael Prest writes: Stockbrokers reported heavy buying of gold shares. South African mines were especially popular, receiving further encouragement from a state of substantial profit increases in the present round of quarterly results.

The day also saw some old names stepping back into the limelight as the prospect of permanently higher gold and other precious metal prices persuaded companies to reconsider mines previously considered unprofitable.

In San Francisco, Homestake Mining announced it is to revive the Fimiston gold mines near Kalgoorlie in Western Australia. About \$28.5m (£12.6m) will be spent on reequipping

two mines which were closed in 1976 because the gold price was too low.

High gold prices and rising profits from the mines are creating problems for the South African government. A sharp increase in tax revenue, combined with the constant revaluation of its gold reserves, has caused the treasury's reserves to swell.

Some City sources believe the reserves will be used to pay off foreign loans which will improve South Africa's credit rating in the eyes of international bankers.

Government officials from Britain, France, Japan, West Germany and the United States met here earlier this week to find ways to strengthen international monetary cooperation, writes Frank Vogt from Washington.

The meeting, chaired by Mr Anthony Solomon, Under-Secretary of the United States Treasury for Monetary Affairs, discussed all current monetary issues, including the International Monetary Fund's substitution account plan and what has been happening in the gold market, said a treasury spokesman.

Apparently there was general agreement at the meeting that political factors were totally dominating the gold market and that there was little point in any central bank selling gold.

At the same time the officials are believed to have reviewed latest currency market developments, with the American side indicating they were generally satisfied about the dollar's performance.

The substitution account plan for the IMF appears to have progressed. One diplomat noted that the prospects of the plan being finalized within the next few months had increased. The United States Treasury appears determined to win approval for it at the interim committee meeting of finance ministers to be held in Hamburg on April 25.

The plan aims to give central banks an opportunity to exchange some of the dollars they hold for a special asset, valued in terms of special drawing rights and carrying a market-related rate of interest, that will be issued by IMF. This system could enhance the reserve asset role of the SDR and possibly contribute to greater stability for the dollar in exchange markets.

The monetary officials are believed to have discussed ways in which the IMF's gold holdings of roughly 100 million ounces could be used to strengthen the substitution account plan.

One problem is that any use of gold in this context may appear to be a revival of gold's official role within the international monetary system, a development the United States is determined to avoid.

Gold auction: The IMF announced yesterday that its next regular gold auction will be held on February 6 and deliveries will be made to the successful bidder later in New York. The IMF, as in the past, will offer 44,000 ounces of fine gold at market-related prices and the minimum bid will be for 1,200 ounces.

## NEB may sell stake in computer company

By Kenneth Owen

The National Enterprise Board is likely to dispose of its share of Systems Programming Holdings, the parent company of Systems Programming Ltd (SPL), a leading computer software house. And it will probably open up the resources of its Inspec Products software marketing subsidiary to non-members, that is, those in which the NEB does not hold a stake.

Inspec Products finances the development of certain software products by its member companies, in all of which the NEB holds a stake. Members at present are Computer Associates, Logica, and Systems Programming, Logica, Systems and Systems Designers.

Recently the managing directors of both Logica and SPL resigned from the Inspec Products Board. Logica's future membership of Inspec remains in doubt, and yesterday SPL confirmed that negotiations with the National Enterprise Board were taking place with the aim of a disposal of the NEB holding in Systems Programming to the private sector.

The NEB holds 30 per cent of the voting shares and 80 per cent of the non-voting shares of Systems Programming Holdings.

The new NEB board will meet next week to discuss the role of Inspec, as part of a general briefing on all NEB activities. Even if membership were to remain at the present level of five companies, or to increase slightly, there would be good reasons for widening the Inspec role to include the overseas marketing of non-

## Kitchen Queen chairman resigns and sells shareholding for £1.5m

By Philip Robinson

Mr Neville Johnson has resigned as chairman and chief executive of Kitchen Queen and has sold a large slice of shares in the furniture group he brought to market 15 months ago.

His sudden departure follows a boardroom clash with Mr Len Morris and Mr Jim Benthams, the two entrepreneurs who created and sold him their Mobern Home Improvements group last November.

Kitchen Queen's stockbrokers, Halliday Simpson, said that none of the trio was prepared to make any further statement last night. Mr Morris has assumed the chairmanship and Mr Benthams will continue as managing director. Both will face an estimated 100 shareholders at the group's annual meeting at noon today in Manchester.

It is understood the clash happened after Messrs Morris and Benthams, who were still running Mobern, "a house" figures for the Knott Mill and Kitchen Queen side of the group and complained that financial controls were not tight enough.

The company says it became apparent in November and December that lower sales from Kitchen Queen's retail and manufacturing operations were losing money.

Losses on the manufacturing division for the six months ending February 29, will be an estimated £1.1m and on retailing will amount to £400,000.

Mobern is expected to achieve profits of £1.2m in the same period, compared with forecast profits of £1.5m for the year at the time of the £5m deal with Kitchen Queen.

That will mean a group loss of £300,000. The board says



Mr Neville Johnson: departure after boardroom clash.

manufacturing will be back in the black in the second half and the retailing side will also return to profitability.

"The styles on the two sides are completely different," said Mr Don Godwin of Halliday Simpson. "After looking at all the options, it was decided that Mr Johnson should resign."

He takes with him around £1.5m from selling 8.5m of his 15 million shares to Mr Morris. The sale price was being kept secret but is believed to be around 18p.

Kitchen Queen's shares rose 2p to 28p yesterday, just below the offer price in November 1978, and giving a market capitalisation of £8.4m against £14m at one stage.

What went wrong to drive the profits and share price down so low? Some in the City reckon Mr Johnson tried to do too much too soon.

The rapid expansion of the company, which was formed in 1965 in a rented garage, began last April when the group bought the 44-store kitchen furniture group Knott Mill for

£2.1m. This was before Kitchen Queen had produced its first half figures as a public company.

Three months later it was talking to Mobern about buying the company. This was agreed last November.

Trouble came when Kitchen Queen wanted to integrate the two and sell the units through their own outlets. Supplies were cut off from major customers like Marley Homechurn and Dudge City, and expected sales failed to materialise at the group's own stores. But that problem, according to Halliday Simpson, has now been overcome.

Mr Morris' purchase of 28 per cent of Kitchen Queen from Mr Johnson will mean that, by December, he will have around 35 per cent of the whole group, far above the trigger level for a bid under Takeover Panel rules. Under the Mobern/Kitchen Queen agreement, if Mobern exceeds its profits forecast of £1.5m, Mr Morris will get a further six million shares.

Financial Editor, page 19

## Future drilling in depths of 2,000 feet may be possible Floating a new platform design

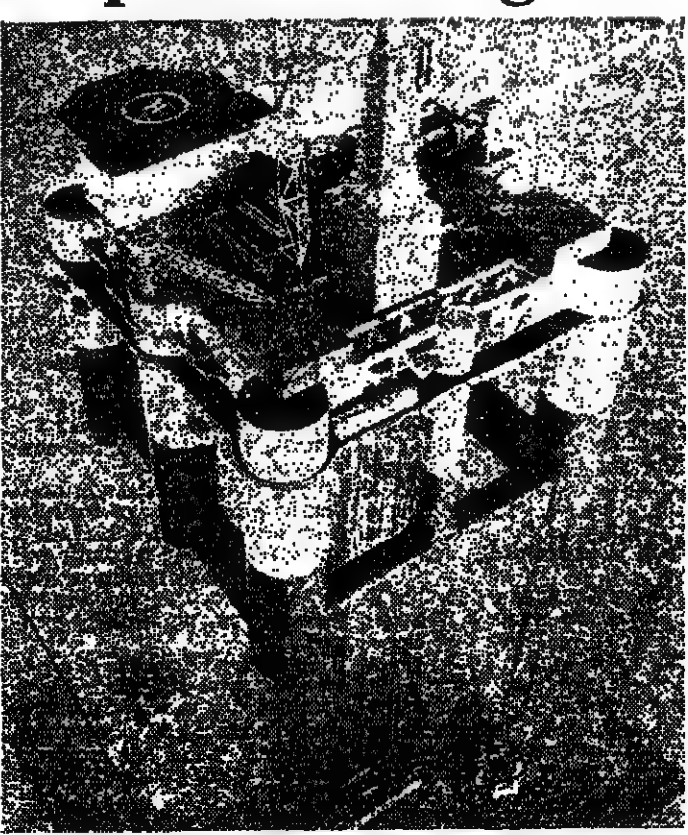
Conoco yesterday announced £500m plans to develop the Hutton oil field in the North Sea using a new type of production platform. The platform is based on a concept which, the company believes, opens up the possibility of operating in depths of up to 2,000 feet, well beyond the capability of existing offshore technology.

Eventually, this could alter the price/cost equation by which the viability of recovering oil reserves is determined. In the immediate future it could bring much-needed work to British ship and platform yards.

Conoco has submitted to the Department of Energy a development plan envisaging a tension leg platform (TLP). Unlike other platforms, it would be a floating structure, anchored to the seabed by vertical mooring lines. Detailed work on the project has already begun, and there is a strong possibility that a large part of the construction will be carried out in Britain. Contracts have been awarded to Bachtel Great Britain for project services and to another American company, Veto Offshore, for design of the well system.

Conoco is negotiating a further design contract with Brown & Root (UK) and with Vickers Offshore, a subsidiary of British Shipbuilders, as subcontractors for hull and mooring design. It is also talking to Lloyd's Register about certification.

Conoco says that its platform will be less vulnerable to bad weather than conventional platforms because its facilities will be installed before it is towed into place.



A model of Conoco's tension leg platform design

The overall buoyancy of the platform will keep the line in tension and in all but the worst weather movement of the structure will be imperceptible to the 200 or so men on board. Conoco hopes platform construction will begin in 1981, with tow-out in late 1982. Production should then start early in 1984.

John Huxley

## Letraset

### Interim announcement

	Six months ended 31st October			Year ended 30th April
	1979*	1978	Increase	1979
Sales (£000)	35,514	23,215	+ 53%	50,093
Profit before tax (£000)	6,264	5,172	+ 21%	10,505
Earnings per share (p)	9.29	7.94	+ 17%	18.48
Dividend per share (p)	1.09	0.987	+ 10%	6.49

\* This year's interim figures include Stanley Gibbons for the first time

### Group well positioned

Volume growth has continued in our graphics operations and profit margins were maintained. At Stanley Gibbons the growth opportunities were confirmed. The Leisure Products Division also performed well in increasingly difficult trading conditions. The Group is well positioned to operate in an uncertain business climate, but in a year of anticipated economic downturn the outlook for the remainder of the year is difficult to predict with confidence.

Letraset International Limited  
7 Apple Tree Yard  
London SW1Y 6LD





## Rumours of Italian devaluation refuted

Signor Gaetano Stamatidis, Italian Minister of Foreign Trade, said in Rome that Italy's trading partners "would regard us as mad" if the government devalued the lira. He intervened with an interview in the newspaper *La Repubblica*, in the debate which has gathered strength since the publication on Saturday of a 1,438,000 lire (about £810m) trade deficit for November.

He admitted that industrialists were pressing for devaluation, to compensate for loss of competitiveness abroad. Last year Italian export prices rose by about 17 per cent against an average 13 per cent in other countries. But, the minister believed, Italian firms were exporting not at a loss, only with reduced margins.

### Ford first in France

Ford-France SA sold 90,650 vehicles in France last year, thus maintaining the first place among foreign importers, the company announced in Paris. The total, however, was below the 93,400 units sold in 1978, due to the week strike in the group's British plants at the end of 1978.

### Italy freezes credits

Italy will freeze its trade credits to the Soviet Union at present levels, effectively limiting Italian exports to that country, in response to the Western protest against the invasion of Afghanistan, a foreign ministry spokesman says.

### Tokyo export record

Japan's certified exports in 1979 rose by 7.8 per cent to a record \$107,230m (about £47,658m) from \$99,450m a year earlier, according to the International Trade and Industry Ministry.

### German petrol up

Deutsche Shell AG announced in Hamburg it will increase retail petrol prices in West Germany for super and regular grades by between six and seven pfennigs a litre and for diesel by five pfennigs from today. The present prices are super 106 pfennigs (about 2 1/2 p), regular 102 pfennigs, and diesel 106 pfennigs.

### \$70m components plant

Ford Motor Co has announced in Detroit it will build a \$70m (about £31m) plastic plant in West Berlin to manufacture components important in producing lighter, fuel-saving vehicles. It will employ 700 workers when it opens in 1981.

### French jobless rise

The number of job-seekers in France rose by 1.8 per cent (seasonally adjusted) to 1,370,000 from 1,345,000 in November, the labour ministry reports. The December total was 12.4 per cent above that of December, 1978.

### £3m furnace order

Born International, of Brighton, has won a £3.3m order to supply furnaces for petrochemical plants being built by West German contractors at Nanking and Shanghai. The projects have been commissioned by the China National Technical Import Corporation.

## Iranians threaten to cut oil supplies if Tokyo follows American line

# Japan caught in sanctions dilemma

Political developments in Iran and Afghanistan have left Japan in the midst of diplomatic and economic trouble which may seriously affect its energy programmes and industries in the months to come.

Japan intends to import 265 million tons of oil for 1980, 5 million less than in 1979. But supplies are now less predictable and will largely depend on how Japan behaves over American proposals for economic sanctions against Iran and the Soviet Union.

It appears Japan will follow the American guidelines for punitive action in spite of this week's strong warning from Iran.

Mr Ali Akbar Moinefar, Iran's oil minister, told the Japanese ambassador in Tehran that oil exports could stop if Japan imposed sanctions. This warning was received in Tokyo with "surprise" since the Japanese had been "under the impression" that the newly arranged import plan for 1980—of 530,000 barrels a day at \$30 dollars per barrel, representing an increase of some 15 per cent from 1979's 460,000 barrels—would go ahead whatever anti-Iranian measures Japan might impose.

Japan's final position on sanctions depends on consultations with Mr Philip Habib, the former United States Under-Secretary of State, who arrived in Tokyo

yesterday. But it is clear that an Iranian embargo of oil would have a serious impact, cutting total oil imports by some 12 per cent.

Another "hostage" could be a petrochemical complex Japan and Iran are jointly building in Iran. It is a 780,000m yen (£138.5m) project with government investment amounting to 20,000m yen (£35.4m). Japanese construction has now stopped and the United States does not want it to be restarted despite Iranian pressure.

An alternative oil supply would be an increase of spot purchases in other markets. These account for between 10 and 12 per cent of Japan's total oil imports, though government sources have indicated that, with reserves amounting to 110 days, spot market buys should be discouraged until March.

Major international suppliers have cut their sales sharply to those not affiliated to them, and the cutback has also started affecting their own affiliates. Caltex, a subsidiary of Shell and Texaco, told Nippon Petroleum that the supply for the January-March period would be reduced by 27 per cent or 200,000 barrels a day. This alone represents some 5 per cent of Japan's total imports, and more than 10 per cent of supply by the main companies to its affiliates.

Industry sources are worried that Caltex will be followed by such as Exxon, Mobil

and Shell which seem to have placed priority on their own countries.

Faced with such bleak prospects, Japan is vulnerable to whatever retaliatory measures Iran and the Soviet Union may take. However, the government has initiated a "Save Energy" campaign, in an attempt to cut down energy consumption by 7 per cent (20 million tons) a year.

Japan needs Iranian oil and such Russian resources as oil, natural gas and coal more than they need Japanese money or technology.

It is against this background that Japan is demonstrating a measure of resistance against the United States demand for imposing sanctions. It is, however, doubtful if Tokyo can be as independent as West Germany and France may be.

Foreign ministry sources have already indicated that, despite Iran's warning, Japan would "accommodate" the American. Tokyo has also already told Washington that, as a means of expressing "displeasure" with Moscow, the Japanese government would not enter into long-range agreements or expand economic relations.

Evidently, Japan fears retaliatory action from the United States for rejecting the demand for sanctions more than it fears retaliation from Iran and the Soviet Union.

Koji Nakamura

## More weight for EEC monetary committee

From Peter Norman, Brussels, Jan 16

Britain, France and West Germany are to upgrade the representation on the EEC's Monetary Committee, each by appointing a top-level monetary official to vacant positions.

Although under the EEC treaty the committee has advisory status only, the revamp suggests that it is now destined to play a more important role in coordinating monetary policy among the Nine. The changes are due to be formally carried through at a meeting in Brussels next Wednesday.

Britain's new representative will be Sir Kenneth Couzens, Second Permanent Secretary at the Treasury who is responsible for overseas affairs.

The Germans will be appointing Herr Manfred Lahnstein, the state secretary in the finance ministry, who in effect controls the Bonn end of Germany's monetary policy.

France's representative will be M Jean Yves Haberer, the director of the treasury and therefore equivalent in rank to Herr Lahnstein. M Haberer, who is expected to take over the chairmanship of the committee from M Jacques van Ypersele of Belgium, has a reputation for toughness and is reported to be anything but an anglophile.

The decision to give more weight to the committee is thought to have been taken on the fringe of the EEC summit in Dublin last November.

As coordination of monetary policy in Europe becomes increasingly important, it was apparently felt that the monetary committee should name more people with decision-making powers so that it can take some of the burden off finance ministers.

M van Ypersele's departure as committee chairman (he is expected to stay as a member) will be regretted by many, but it is recognized that as chief adviser to the Belgian Prime Minister he has been fully stretched through the recent months of government crisis in Brussels.

M van Ypersele has been an enthusiastic supporter of pushing ahead with the further development of EMS, France and Germany on the other hand are known to have reservations.

There is considerable scepticism among high-level officials that the March 1981 deadline for the establishment of the European Monetary Fund can be kept, despite the commitment given by heads of government in Dublin.



Sir Keith Joseph (inset) told the conference the Government would not flinch from redirecting public expenditure to engineering.

## Broad backing for Finniston

By Derek Harris, Commercial Editor

Support for a new engineering authority to improve the performance of manufacturing industry came yesterday from Sir Terence Beckett, chairman and managing director of Ford of Britain.

He was speaking at a conference on the Finniston report on the engineering profession and manufacturing industry, attended by almost 300 at the City University, London.

If the authority succeeded in its job, it could eventually be disbanded, because there was value in having a number of special interests such as the universities, the professional institutions and industry, Sir Terence added.

He expected industry reaction to the report, which recommends a new authority to organize the registration of engineers and accredit their education, to be largely "yes" followed by "but".

Without a new authority to act as a continuing focus for effort, the Finniston initiative could be lost, Sir Terence warned.

Sir Terence stressed the value of a production planning group to identify market opportunities and products to exploit them.

Sir Keith Joseph, Secretary of State for Industry, who will decide government policy on Finniston after consultation, reiterated that the Government would not flinch either from

creating a new organisation or redirecting public expenditure if they were convinced it would improve industry.

But he gave two warnings. One was that industry's problems could not be viewed in too simplistic a way, blaming one particular relationship between business management and the engineering profession. There also had to be great caution in introducing from the centre changes in a decentralized education system that was essential to a free society.

Sir Robert Clayton, technical director of the General Electric Company (GEC), supported the report's ideas. The problem was finding the right people to register, to train, and particularly to discover bright middle managers

## High Street jewellers at hub of new gold rush

Britain is experiencing a second gold rush, not around the offices of the bullion dealers but in High Street jewelry shops.

Imports of gold items for hallmarking in British assay offices soared by nearly 60 per cent in the last three months.

According to industry sources, the bulk of the increase was caused by the immense popularity of nine carat gold chain from Italy which undercuts the British equivalent but is banned from sale in its country of origin.

The level of imports has been so high that there has been talk of a call for a European Commission investigation to test whether the chain was being subsidized by the Italian Government.

Jewelry manufacturers now believe that Italians gain the

upper hand over their British counterparts in other ways.

British manufacturers are not too worried by increasing imports, however. Many of the goods require finishing work in this country before going on sale.

"By and large British manufacturers had a good year in 1979," said one industry analyst. "Their main worry at the moment is that retail jewellers did well at Christmas, but because of escalating gold prices did not convert their capital into stocks."

The London, Birmingham, Sheffield and Edinburgh assay offices hallmarked a record total of 29,455,793 articles made from gold, silver and platinum last year, 2.4 million more than in 1978. Foreign wares accounted for 24.4 per cent of the total, compared with 14.4 per cent in 1978.

## De Lorean may build family car

By David Felton

De Lorean Motor Cars, which is to start producing 29,000 sports cars from a new plant in West Belfast next July, is having to boost production with the introduction of new models.

Executives are looking at the possibility of building a family car alongside the sports car which received £55m aid from the last Labour Government.

Mr Eugene Caffero, De Lorean president and chief executive, said in Belfast last night that the company could not afford to rely on one model.

Construction started on the Belfast plant six months ago and is expected to be producing 30,000 cars a year by the middle of 1981. The sports car will be sold initially in the United States.

## LETTERS TO THE EDITOR

# Self-denigration the worst disease of the British

From Mr H. S. Hill

Sir, There can be no question of the underlying wisdom within Sir Michael Edwards's "buy British" letter. We British undoubtedly have an ease of acceptance of foreign made goods which is a source of increasing delight to our Common Market partners and continuing frustration to United Kingdom manufacturers.

Sir Michael did not refer to one alarming aspect of genuine inter trade which certainly is used as a deterrent to imports by Japan, the United States, and more particularly our EEC partners—that is technical barriers to trade.

It is so easy to invent reasons which inevitably have the effect of making it increasingly difficult for British goods to be exported whereas the United Kingdom seems to go out of its way to ease restrictions on imports.

The United States introduced a "safe-but-waited" until they were some years ahead on development and then created immediate importation difficulties.

The United States and Japan introduced stringent pollution limitations for car exhausts—very laudable—but again an importation restriction which is still greatly limiting imports.

Chances to home we have the continuing saga of "agreed design conditions" for air receivers. Does it not border on the incredible that discussions have been going on in Brussels to arrive at a "standard" for 14 years? At a meeting in Brussels a few weeks ago we heard quite senior members of the commission optimistically declare that the

manner could be concluded within the next two to three years. To the uninitiated a "standard" could be determined and agreed by two or three competent engineers within two days and leave time for a round of golf. Unfortunately the underlying difficulties are deliberate and in the meantime we cannot export these items to Europe whereas we do not prevent their importation.

I have been present at meetings where both German and French partners have emphatically stated against each other that unofficial recognition of technical barriers will continue until the "other party" relaxes—unanswerable we continue to exercise our inherent right to British fair play—we buy foreign.

Numerous other examples could be quoted and if examined in detail should no doubt invoke similar actions on our part—least until a more equitable political solution is found.

In the not too distant past my company lost a substantial order for capital equipment for one of Her Majesty's dockyards—the order was awarded to an American company for goods manufactured in Italy. Our protests to the then minister of state produced the reply: "We must be giving the Common Market a chance to work".

Perhaps rather more ironically (and more recently) having supplied British Leyland in all its previous guises for 20 years we lost substantial orders for equipment manufactured not ten miles from Longbridge—the orders being placed for manufacture in

Sweden! In neither case was price or quality a significant factor.

It has been said world-wide that the British disease is trade union power. Admittedly bad and outdated union internal management techniques have made a major contribution to our economic ills—but our greatest disease is our unbelievable ability to denigrate ourselves. We are constantly assailed with our weaknesses by management associations, trade unions, newspapers, television, radio. What we do not seem to understand is that we are one of perhaps two or three countries in the world that has a nationwide "instant".

Conversely, what are we publicly told of the same type of ills in other countries? We condition ourselves against buying British—and at the same time we condition our overseas potential customers to buy anything but British.

Let us not wait for a war suddenly to find that our neighbours are not such bad people after all—let us buy British—it may even lead us to thinking that we are British—which in turn will lead us to sell British and regain a deserved place among the world powers.

Minor advantages such as lower unemployment, higher productivity, better balance of trade payments, might even be gained along the way.

Yours faithfully,  
H. S. HILL,  
47 Englewood Close,  
Handsworth Wood,  
Birmingham 20,  
January 7.

## A swing to engineering

From the President, the Secondary Heads Association

Sir, While giving welcome prominence to the report of the Finniston Committee, you have also perpetuated the notion that our secondary schools "direct a disproportionate number of their ablest children away from engineering and other applied studies". This may have been true until the 1960s, but by the time of the "great debate" there was already a so significant swing to engineering in university applications that the number of well-qualified candidates seemed set to exceed within a few years the places available.

That trend continues this year, despite the damage done by a drop in overseas candidature; in the current round, numbers continue to rise steeply in applications for aeronautical, electrical and general engineering, in computing science (by 37 per cent), mathematics and physics. Even schools in the private sector now send half their university entrants to study mathematics, science and engineering.

Faced in our schools with the threatened extinction of some liberal arts, we are bewildered to read of their continuing domination.

The real deterrents are reported by the Finniston Committee—acute shortages of specialist teachers. To these must be added the inadequacies reported by the DES sur-

vey of secondary school buildings (1977) which showed 85 per cent of our schools lacking in spaces for practical subjects, and the recent survey by Her Majesty's Inspectorate, recording a shortage of laboratory space in 40 per cent of the schools visited. Finally, industry and schools have not yet succeeded in dispelling the belief that engineering is a male preserve.

Those who run schools will welcome the attempts being made to ensure that British industry attracts, retains and makes good use of engineering graduates of quality, and that they should be prepared for a fuller role in management. If this does not happen, we fear a repetition of events from the time of the Hirst Report in the mid-1960s. Responding to the supposed needs of the moment, schools encouraged science options, watched their pupils graduate in the early 1970s and were dismayed by the coincidence of a cutback in graduate entry by ICI and many others.

Of course, this brought a wave of potential engineers back into teaching; but should we really be pinning our only hope of recruitment to schools on industrial unpredictability?

Yours faithfully,  
JOHN SAYER,  
President, Secondary Heads Association,  
23 Gordon Square,  
London WC1H 0PS

## Inflation accounting

From Mr H. M. Williams

Sir, Oliver Stanley (January 7) has pointed out that in 1977 the "little men" in the Institute of Chartered Accountants drew our CCA as being too complex. As one of the thousands of little men who did the throwing I would like to say that CCA was not rejected mainly as being too complex but because it would become compulsory and replace Historical Cost Accounting.

I do not think I am alone when I suggest the answer to this problem of inflation accounting lies in presenting a balance sheet with two sets of figures, one set would be the "historically factual" and therefore accurate ones (true and fair); the second set either alongside or elsewhere in notes form would be the estimated up-to-date values (take them or leave them).

When I objected to was the proposal that published accounts should consist entirely of estimated figures. I feel sure that if any new proposals seek to replace fact with fiction they too will be thrown out by the little men.

Yours faithfully,  
H. M. WILLIAMS,  
Lower Willowworth,  
Fenny Stratford,  
Bucks HP19 9NB,  
Jan 7.

## Payments to estate agents

From Mr D. M. L. Alexander

Sir, Your correspondent, Mr Bourgojn (January 10) is confusing apples with oranges. His estate agent, like any agent, will not commission not fee. He is paid only if a sale results; often an estate agent will expend time and money and receive no reward.

Estate agents are in fierce competition and their clients are free to choose and to make their own bargain in respect of their charges.

A surveyor is remunerated quite differently. He is paid a fee based upon the time employed and the degree of skill required. He has to be paid whether or not the results of his efforts prove to be of any value to his client.

Solicitors and most other professionals charge fees similarly. Unlike estate agents,

they do not perform work on a speculative basis in the hope or expectation that the result will be advantageous or profitable to their clients.

Some estate agents have experimented with charging lower rates of commission coupled with charges payable by their clients whether or not a sale results. For instance, they may charge for advertising and registering the property on the agent's books. On the whole the general public does not like this system and most agents therefore give the public what they want and charge for their services solely on results achieved.

D. M. L. ALEXANDER,  
35 Lancaster Avenue,  
Hadley Wood,  
Barnet,  
Herts.

## Intervention in steel strike

From the Chairman of the National Committee of Conservative Trade Unionists

Sir, The article by Peter Hill in your business News column stating that the Conservative Government will be forced to intervene in the steel strike to effect a settlement is both false and irresponsible. It is false because it assumes that the unions in the steel industry are not bound by the Gadsden's rule to destruction when realism, common sense and the interests of their members demand that they do indeed draw back.

It is irresponsible because it seeks to influence the Government to buy off the strikers with taxpayers' money and then to achieve at best a temporary relief. It shows further irresponsibility in that it risks encouraging the union leaders to believe that they might succeed in their aims, when in fact it would have disastrous consequences for the steel industry.

If the union leaders want a face saver there is one ready to hand. Let them ballot their members and the strike will soon be over.

FRED HARDMAN,  
Coppice House,  
Coakbrookdale,  
Telford,  
Shropshire,  
January 9.

## Electrified response

From Mr Stanley Steward

Sir, I am afraid that you have turned the clock back more than twenty years by describing me as chairman of the South Western Electricity Board when my letter (January 16) on this subject.

Since my time there have been three chairmen of SWEB, including the present chairman of the Central Electricity Generating Board, but I am sure that all would endorse my view that a programme of railway electrification is now an urgent necessity.

Yours faithfully,  
STANLEY STEWARD,  
The Athenaeum,  
Pall Mall,  
London, SW1Y 5ER,  
January 16.

## Redfearn National Glass

### A significant increase in volume of containers sold

The following is an extract from the Statement by the Chairman, Mr. John Pratt.

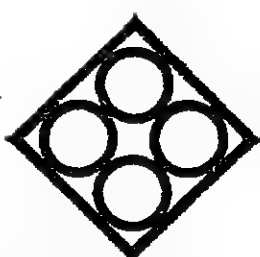
We achieved a significant increase in the volume of containers sold, leading to an improved market share. Sales of our wide-mouth bottles to the soft drinks industry more than doubled and a useful increase has been recorded in sales to the wine and spirits industry. However, these achievements were offset by reduced profit margins caused by continued price competition. There are signs that continental producers may be adopting a more realistic pricing policy. This tendency, if maintained, would of course benefit UK producers.

The aim of our cost reduction programme is to put the company in a much better competitive position vis-a-vis our continental competitors where rates of labour productivity are usually much higher. Redundancy payments as a result will bear heavily on the company in the short-term but the future benefit should be substantial.

It is, therefore, likely that the company will be in a break-even situation during the first half of the current year but I forecast a substantial improvement in the second half. Results for the full year 1979/80 are therefore likely to be comparable with those of 1978/79.

Copies of the Annual Report and Accounts may be obtained from the Secretary.

REDFEARN NATIONAL GLASS LTD., FISHERGATE, YORK, YO1 4AD.



## Trade threat from Taiwan 'a myth', report says

By David Hewson

The supposed trade threat to the West from newly industrialized countries such as Hongkong and Taiwan is largely a myth, according to a report from the Economist Intelligence Unit published today.

In turn, the report accuses the West of underestimating its own dealings with these countries and points out that developed countries within the Organization for Economic Co-operation and Development still earn substantial trade surpluses with them.

The short- and medium-term problems for the West, it concludes, are to shift the focus of industry to the products in which it is relatively competitive.

The report says action should be taken to remedy the inequality in the impact of trade with newly industrialized countries. It proposes deficits in American and Canadian manufacturing trade but surpluses for western Europe and Japan.

Nine newly industrialized countries are identified as responsible for three quarters of OECD imports. They are Hongkong, Taiwan, South Korea, Spain, Mexico, Singapore, Yugoslavia, Brazil and Portugal.

Despite the dramatic growth of this trade it accounted for only 8.5 per cent of OECD imports by 1978 and had an important impact only in certain subsectors, the report says.

Effects on employment have been small, displacing only a small part of the United Kingdom labour force between 1970 and 1977. Protectionist measures would fail to stem the rise of these

countries, leading them into diversification, and the propping up of inefficient home industries.

Consequently protection can often be seen to be counterproductive from the point of view of the importing country. And it should be regarded as only a short-term measure to soften the immediate impact of NIC (newly industrialized countries) competition.

The report says these countries will continue to move up-market, especially in response to import restrictions.

Even in the subsectors most heavily affected by competition from these countries, individual companies making specialty and particularly high quality or high fashion products should not only survive but actually prosper.

Small operations are likely to be more successful in the long run, making non-specialty products at middle to upper market price ranges are likely to find the going tougher, the report adds.

It says the newly industrialized countries will continue to move into new industries and other developing countries will seek to emulate their export growth.

The most dramatic example of this could be China. The report says: "If China decides to develop large-scale export-oriented industries, it would obviously be a very different type of animal to any existing NICs."

EIU Special Report No 73. The New Industrial Countries and their impact on Western Manufacturing. £50.

هكزام الأحميل



BY THE FINANCIAL EDITOR

# Kitchen Queen: who carries the can?

Within the mass of Stock Exchange operation, Kitchen Queen may weigh little enough. But all the same, the sudden descent of this Northern kitchen specialist from the ranks of the respectable performers raises some important questions.

How on earth does it happen that a company that came to the market with such a panache and so much promise (not to mention a £1.3m profit to its founder and chairman, Mr Neville Johnson) a mere 14 months ago, can now be turning in losses on such a scale that the shares have dropped by a third in a month?

If the company was on the high road to such a debacle anyway, should not the issue have been stopped by the issuing house, the accountants, the lawyers, or the Stock Exchange? If the problems developed in the last two months of 1979, why was the chairman still anticipating "another record year" by the middle of December? And last-but not least, what happens now?

It looks as though Kitchen Queen's problems stem from a failure of management, plain and simple: and the Stock Exchange and everyone else involved in the issue is taking the line that there was no obvious sign of this 14 months ago, and it was no business of theirs to anticipate its development. This is the gist of the argument put to the Council for the Securities Industry with considerable vehemence, when it tried to introduce a new code for the issuing houses last summer; and it ought to be a source of embarrassment to everyone involved, that the deficiencies of accepted practice have been shown up so soon afterwards.

For however toughly the City establishment argues the doctrine of survival of the fittest, it is a fact that a development like this is going to be a cause of scandal to the small investors whom it is trying to inveigle back into the market (and in a case like this, very probably to the 14 institutions who took the shares that ICFC unloaded in the summer, too).

At a time when too many small companies argue that the listing requirements are so tough that they are not prepared to go public, it is absurd that such a fate should befall one of the few that have.

The company's future is now delivered into the hands of Messrs Morris and Benham. They have proved themselves adept at building companies up and selling them on; but whether they are equally adept at rescuing them remains to be seen. So the shares are a straight gamble for the moment.

170p yesterday, yielding just under 9 per cent on a maintained payment, may have come far enough until this year's outlook is clearer.

## Trusthouse Forte

### The planned Squibb deal

If Trust House Forte was not quite up to the profits target set by the market (a 23 per cent gain to £68.2m last year against outside estimates of £70m), then the dividend did the trick. A near 50 per cent increase here to 11.438p a share gross had the shares price 16p ahead by the end of the day at 159p to yield an acceptable 7.2 per cent—not bad for a company which is demonstrating growth of this sort and which has the balance-sheet to support further ambitions.

Those ambitions, if they materialize, would provide the keynote for 1980 rather than the difficulties caused by lower



Lord Thorneycroft, chairman of Trust House Forte.

tourist traffic in this country and oil-related recession in the United States which tend to dominate market thinking about Trust House at the moment.

Plans to acquire Dobbs House, the food services business of Squibb Corporation in the United States have been overlocked. But Trust House is in the final stages of negotiation with Squibb which if successful would involve paying around \$100m for a major stake in the American in-flight and airport catering. For perspective Dobbs House would come near to doubling Trust House United States profits.

Thus, Trust House, having captivated the market three years ago with its Lyons' hotels purchase, is not resting on its laurels. Conditions may be more difficult this year, but occupancy rates in its London and provincial hotels chains remain much higher than average at around 75 per cent and much the same applies overseas.

It reckons on higher profits this year (the market may be looking for £10m more) as it squeezes out greater efficiency from the existing business. Beyond that there are the expansion possibilities in the United States—and, perhaps even in United Kingdom hotels. Thorneycroft, after all, has indicated it may sell off peripheral businesses after its EMI acquisition and that could see Trust House buying the Tower Hotel after all.

## Letrasat

### Diversifying successfully

Letrasat is so far dispelling fears that it would not find it easy to diversify away from its extremely successful dry transfer base. But with more than a little help from the Stanley Gibbons acquisition in December 1978, it has got firmly back onto the growth track that appeared at one stage to be eluding this one-product group.

The latest half-year pre-tax profits are 21 per cent up at £6.26m—slightly flattened by an above the line bonus of £472,000 from damages it received from its French competitor Mecanorma over a patent infringement—while the first time inclusion of Stanley Gibbons boosting the pre-tax figure by £1.37m and adding £10m to the more than 50 per cent sales gain to £35.5m.

Even so there still seems to be some momentum in the graphics side, although volume growth in the more mature dry transfer business was only 3 per cent against 8 per cent elsewhere.

A further drop in leisure and a rise in full year interest charges to £1.6m despite the recent rights issue is likely to mean pre-tax profits for the year of about £11m where a fully taxed p/e ratio of just under 9 at 142p, up 7p yesterday, seems a fair rating given the likely dividend yield of around 8 per cent.

## Economic notebook

### Bearing the burden of the pound

This year's wild scramble into gold has snatched the headlines away from what is likely to prove, for Britain, a far more important movement on world financial markets: the steady rise in the value of the pound. Sterling is now more than 8 per cent higher, against a basket of currencies, than it was in early November. It has not yet climbed back to the peaks reached in the mid summer but it is significantly higher than most economic forecasts expected and, worse, much higher than British industry can stand.

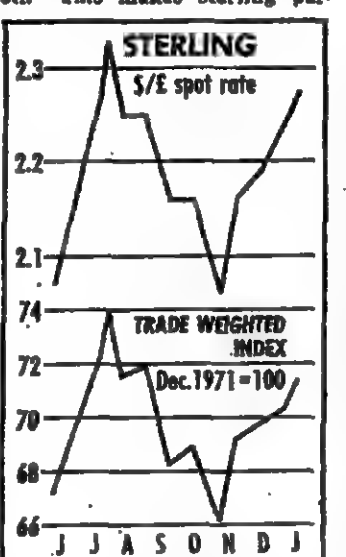
The complaints from industry have been surprisingly muted. To some extent there is a conspiracy of silence about the damage the high pound is doing to exports and the damage the high pound is doing to exports and the damage the high pound is doing to exports.

The Government is, on the whole, in favour of a strong pound. It is certainly not willing to think of adapting its monetary and fiscal policy to engineer a fall in the rate. The Confederation of British Industry is likewise committed to the Government's overall economic policy.

In private, however, government officials and industrialists admit that the present level of sterling is disastrously high. But publicly they stick by the need to combat inflation through tighter control of the money supply, and to grin and bear the strong pound which results.

Of course, there are also those who hope that the latest wave of money coming into London will subside, bringing the pound down.

One factor in the pound's recent strength has been large overseas purchases of government securities. Once interest rates start to come down some of this money is likely to take the capital gain and leave the country. Relatively high British interest rates are here to stay for some time, however. Another reason for the present high value of the pound is the presence of North Sea oil. This makes sterling per-



STERLING S/E spot rate

TRADE WEIGHTED INDEX

Dec. 1971 = 100

J J A S O N D J

cularly attractive when currency markets are dominated by fears of oil price rises and shortages. It is anybody's guess when and to what extent present fears will subside.

The public stance of the CBI is that since the high pound is eating into industry's competitiveness, firms must try all the harder to contain cost increases through holding down pay and boosting productivity.

There is a further, and little evidence to suggest that this is happening. Yesterday's figures for average earnings show that pay rises in the present round are at least as large, on average, as those last year, and were above those in competitor countries.

Similarly the latest indications on productivity are that after an improvement in the second quarter of last year, there was a further slow down in the rise in the third quarter.

The Government claims some success on the pay front because of a wider than usual dispersion of pay rises around the average figure. Some firms, particularly in the oil and trading circumstances, may be getting away with lower wage awards. But any such benefits are a mere drop in the ocean of lost competitiveness.

An overvalued, or more accurately, a high exchange rate hits industry in two main ways. First, as firms attempt

to hold on to their overseas markets they take some of the burden of a higher pound in reduced profit margins. Rather than pass on fully the higher prices in foreign currency which result from a stronger pound they accept lower sterling prices and squeeze profits.

This profits squeeze is already happening, and has already led to some job losses and factory closures. A graphic illustration of the problems facing firms which depend heavily on exports came earlier this week in the case of Lescage Products, Britain's largest toy manufacturer made a third of its work force redundant.

The company blamed the high pound, along with high interest rates, for its present difficulties. It has found itself

gradually priced out of much of its traditional export market, especially in the United States, as the pound has risen this year.

Figures compiled in Whitehall for export profitability tell the same story. A measure of the relative profitability of export and home markets shows a sharp fall in the ratio during 1979, and a very dramatic decline when compared with late 1976.

Profits of companies outside the North Sea sector were sharply down in the first nine months of 1979 compared to 1978. Much of the fall is thought to have come in the trading sector.

The CBI estimated that the real rate of return on capital fell to around 3 per cent last year, a record low. It projected a very low figure of around 2 per cent—for this year on the basis of a lower exchange rate than today's.

The second way that a strong exchange rate hurts the economy is through its direct effect on the volume of goods which British manufacturers can sell at home and abroad. To the extent that firms do not squeeze their profits in reaction to a rising pound, they become less price competitive.

Although some high technology products are not very price sensitive, the bulk of Britain's traded goods are. Moreover last year's drop in competitiveness was so enormous that it is bound to have an effect in almost all sectors. By the third quarter of last year British industry had lost about a fifth of the price competitiveness enjoyed in 1975.

Although sterling's decline in the final three months of last year led to some improvement there was still an overall competitive loss of about 10 per cent between the fourth quarter of 1978 and the same period last year.

Sterling's rise so far this year will, if it lasts, make British industry another few per cent less competitive.

Last year's trade performance was pretty dismal. But it did not fully reflect the erosion of competitiveness during 1979. Although import volumes responded fairly quickly to changes in relative prices—they rose by 12 per cent in 1979—the effect of exchange rate changes on exports usually takes longer to feed through.

Export volumes rose by about 4 per cent in 1979. The Treasury was not expecting any rise in volumes this year when it published its last forecast in November. The pound was then assumed to remain steady in 1980: at a level several percentage points below yesterday's.

A clear illustration of the problems already facing British exporters is given by the CBI industry trends survey. This includes a question on how many firms find price a constraint on their export sales. By April last year the proportion said that they did had reached the record level established in 1971. It has since risen to new records in July and October, and is now well above the 1978 figure.

Local changes in the availability of work may mean that a brickie in central London may

Caroline Atkinson

# Imports jolt Detroit's big three car makers

Washington The lack of foresight by Detroit's car makers in failing to prepare for the era of the small car is now exacting a heavy toll. The American car industry is in a slump; tens of thousands of workers have lost their jobs, car plants have been closed and used cars now fill dealers' showrooms.

High levels of inflation, interest rates and consumer debt account for some of the decline in sales, but not the main part. Demand for new cars is weaker than for other manufactured goods. At the same time, sales of domestically made cars are declining, while foreign-made cars are booming.

All this underlines Detroit's management problems. For years the leaders of the American car industry refused to believe that Americans would ever want to buy small cars in large quantities. They did not want to believe this when sales of bigger cars meant bigger profits.

It took petrol shortages and galloping petrol prices to convince Detroit and the 1979 sales figures show the scale of the error.

## Slump

The figures show substantial gains for imports, while the sales of domestically-produced cars fell. But, more than that, they disclose that as the year drew to a close sales of imports were falling even more strongly, while sales of American-made cars slumped still more substantially.

During December last year imported cars accounted for 24 per cent of all new United States car sales, while the 1979 overall average was 21.8 per cent. The 1978 average was only 17.8 per cent.

Total sales by General Motors last year fell 8.7 per cent to 4.3 million units, while total Ford domestic sales slumped by 17 per cent to 2.2 million. Chrysler's sales dropped by about 150,000 units to 1.05 million.

This year, too, the picture appears far from encouraging. A mild recession, which could depress new car sales further, looks like developing. Then none of the American manufacturers plans to introduce new models before the autumn and

it could well be that by then the foreign manufacturers will have an even bigger slice of the market.

Needless to say, the sharp shifts in demand trends have produced ever-increasing calls from some quarters for protectionist measures. A week ago, for example, Mr Douglas Fraser, the president of the United Auto Workers Union, complained that 200,000 of his 1.5 million members had been laid-off and he put much of the blame on Japan's biggest car makers.

Mr Fraser said that his union would lobby for legislation which would require a large percentage of the content of cars sold in the United States to be made there. This would apply to all manufacturers who sold at least 200,000 cars a year in America.

The grunt of Mr Fraser's arguments was that the big Japanese car makers had failed to keep their promises to restrain sales to the United States. He said that "the conduct of Toyota and Nissan has been absolutely outrageous... The Japanese are not just exporting cars to the United States (total Japanese sales in America in the first eleven months of 1979 were more than 1.9 million units); they are exporting unemployment."

So large is the American market, so evident is the trend to small cars and so significant is the protectionist threat that it seems only a question of time before the leading foreign car makers selling in the United States will open their own plants there. Volkswagen is doing well with its Pennsylvania plant and assembled 165,000 cars there last year.

Last week Honda of Japan announced that it would build a plant in Ohio later this year to assemble 10,000 cars a month.

The increasing penetration of the American market by foreign makers and the trend by these manufacturers towards increased American output are bound to increase the long-term competition for the big three Detroit companies—Chrysler, Ford and General Motors. Adding to the competitive pressure is Renault's participation now in the development of the American Motors Corporation. Chrysler clearly has the big-

gest problems. It has just been given federal government loan guarantees which provide it with at most a breathing space. It will need large amounts of capital to survive the next few years.

Mr Lee Iacocca, the company's new chairman, who was formerly with Ford, is mounting a huge advertising campaign to revive confidence in Chrysler products. The first big test for Chrysler will be its new "K Models"—small, front-wheel drive cars, which will be launched in the autumn.

## New team

At Ford a new management team is also in control now. Mr Philip Caldwell is the chief executive officer and the challenge confronting him is to boost the company's small car development. Ford is also facing financial strains, having lost roughly \$1,000m (about £500m) on domestic operations last year and quite probably facing even bigger losses this year.

This company also plans to launch a small, front-wheel drive car in the autumn (tentatively called the "Escort"), which involves production and development costs of about \$3,000m alone.

Because of its sheer size the General Motors Corporation is in somewhat better shape to ride out the storm. It also beats its domestic rivals in the race to launch a front-wheel drive, compact car, which it has called the "X model" and which it introduced late last spring.

This company, however, like its rivals faces a huge expense in redesigning its full model range to ensure that it complies fully with government pollution and fuel-efficiency standards.

Detroit's car makers have blundered in the past, thus giving a big opportunity to their foreign rivals here. The industry's recovery is bound to be slow, tough and expensive. Much more dynamic and imaginative management is clearly needed and, given the large capital costs that each company faces and the fierce competition, there should be no doubt that in the American car market battle of the eighties only the fittest will survive.

Frank Vogl

# Mystery of the missing brickies

## John Huxley

earn £300 a week, while those on the outskirts may get only £150.

Mr Derek Phillips, the federation's director of training, says that irrespective of what official statistics might say, contractors on site report there is a shortage of skilled men. What they want to know is what to do about it.

This is the second part of the mystery. To solve it means finding the answer to two questions. Where have the craftsmen gone and how can they be persuaded to return? Equally, once in the industry, how can they be retained?

There is concern that skill shortages will prevent the industry from responding to an upturn in demand. The industry's ability to cope could be jeopardized by its lack of front-line troops, was how one builder expressed it.

For the customer, there is the risk of higher prices, longer delays and reduced standards. It may be expected in an industry accustomed to fairly substantial changes in the size and mix of workload, short-term shortages of both skills and materials are not uncommon.

There is a shortage of skills at a time when the industry is still at a low level of activity suggests more than a temporary mismatch of resources, which can be rectified by bumping up wages or adjusting training programmes.

There is plenty of anecdotal, and some statistical evidence to suggest that large numbers of craftsmen were lost to the industry during its prolonged recession.

Shortages have been aggravated further by the subsequent boom in the more skill-intensive repair and maintenance sector, which has grown as a share of total building output from a quarter to more than a third over the past six years.

There has also been evidence of both job and geographical mobility, with craftsmen being lost—only temporarily—to the Irish Republic and West Germany.

Closer to home, fiscal factors have been at

work. There is a strong body of opinion which suggests that a radical change has occurred in the relationship between contractors, sub-contractors, labour and subcontractors and self-employed workers.

It has been argued, for example, that measures aimed at ending tax abuses associated with the "lump" have helped to create a new class of self-employed sub-contractors working on both a supply and fix and labour only basis.

Probably most operate within the law. Others undoubtedly do not. The growth of the repair and maintenance market has coincided with a big extension of the industry's twilight zone, the underground or black economy of unrecorded cash in hand payments.

There is no shortage of stories of former bricklayers who left the industry to work, say, as milkmen, or as shift workers in the motor industry using their free time to build building jobs. Even among craftsmen supposedly full-time in the industry, there has been a tendency as one union official put it to work "three days a week on the cards and then two days down the road for cash."

Contractors argue that this growth of the black economy is being actively encouraged by value added tax which is imposed at a rate of 15 per cent on repair and maintenance building work. In practice, they say, householders are being wooed by odd-job builders who are able to undercut the legitimate contractor by not paying VAT and do sufficient work to be liable for payment.

So far, attempts to assess the relative importance of these various forms of skill wastage in the demand-supply equation have proved impossible.

Contractors are beginning to say that a shortage of craftsmen—at almost any price—is a fact of life and will be so until the industry has a sufficiently stable workload to be able to offer prospective and existing workers job security and continuity.

Unfortunately, a stable workload provides not so much an answer as a whole new set of questions.

## Business Diary: Child's play • A Butlin in Pontin's camp

What rich Lesney firing 2,000 workers and Meccano becoming meat for transcendental meditators this year's British Toy and Hobby Fair opens on a somewhat subdued note at Earls Court on Saturday week.

David Brown, however, is remarkably cheerful for a toy-maker. Although the total market has been static in real terms for five years or more, the managing director of Lego UK says that sales were up by a quarter last year and he is introducing 46 new lines at Earls Court.

On Sunday week the chairman of this Danish firm, and the man who dreamed up the idea of interlocking plastic "things", Godfred Christian, will be in London when his company receives the retailers' Toy of the Year award for the Space Lego range.

Lego used to be made in Wrexham under licence by Courtaulds but since 1977 it has been made in Denmark.

Brown told me that the company sold three times as many toys to boys than to girls of seven and up.

"Girls mature younger than boys," he said. "From that age their interests are more in cosmetics, clothes and records, which we don't make, rather than in construction kits, which we do make."

Mr William Butlin has joined his fellow holiday camp commandant Sir Fred Pontin in the moves to pull Belhaven brewery out of its difficulties. As expected, Eric Morley has been named joint chairman with Ronnie Aitken, as well as chief executive. The fourth associate will be financier Trevor Baines.

The extraordinary general meeting of Belhaven shareholders in Edinburgh yesterday heard that Morley and his associates would subscribe for



David Brown and Lego friend: selling toys that ring the right bell.

800,000 ordinary shares, equal to a stake of £20,000 each. After the brief meeting Morley said that they intended to make the company a springboard for leisure enterprises through which to sell Belhaven beer. The Coral Island Hotel, Bermuda, which has hung like an albatross around shareholders' necks, is to be sold off—a deal which could put the company back in profit.

The first two contracts for supplying beer under the new regime will be with Ragners Social Club, and in Sweden.



Photograph by Charles Miligan

In Heinz Durr AEG Telefunken supervisory board member Hans Friederichs has made a bold choice for the top spot at the beleaguered electrical giant.

Durr is the 46-year-old managing partner of a family-owned engineering company in Stuttgart. The 1979 turn-over of the Durr Group, whose interests are in coating plants, environmental protection, and other fields, was DM 365m (about £104m)—a far cry from AEG's annual turnover of more than DM 14,000m.

But Friederichs' Dresdnerbank chief executive, stresses Durr's engineering training and his entrepreneurial spirit—qualities demanded in the press and at the shareholders' meeting for the successor to outgoing AEG chief Walter Cipa, an oil geologist.

The Durr Group, too, despite its size, has 18 assembly plants in 11 countries, including Great Britain and Durr himself spent time abroad in Brazil and India.

Durr is well known in Germany, if not outside, as the main employer representative in the pace-setting annual round of wage talks in Baden-Württemberg's metal-working industry. He has gained the reputation in an annual bout with Franz Steinkühle, his opposite number in IG Metall, for a firm but fair attitude towards the trade unions.



Photograph by Brian Harris

Though the Chamber of Commerce of Salisbury, Southern Rhodesia, is predominantly a white organization, the secretary is a black, Eric Matambo (above).

Matambo, who is 30, was appointed in May last year and is an economic graduate of the University of Rhodesia. He represents a new wave of educated blacks who are beginning to occupy key posts in commerce and industry.

The whites in Rhodesia have their Associated Chambers of Commerce of Rhodesia and the blacks the Rhodesian African Chamber. Moves to amalgamate go under way before the present shift to majority rule and both camps consist somewhat uneasily within a Confederation of Business.

The fish van of A. K. Woodhouse and Co was a common sight outside the Palace of Westminster's kitchens, delivering at least six times a day when the Commons was sitting.

But fishing restrictions and bad weather have caused prices to soar and the demand for fish to fall. Woodhouse, an old-established family company, is going into liquidation with debts of £100,436.

Assets are put at £44,730, including just over £40,000 due from customers—one of whom is the House of Commons.

The directors had hoped to sell the business and going concerns, but when prospective purchasers learnt that the rest of the firm's Beak Street premises was likely to rise from £9,000 to £21,000 a year they wriggled off the hook.

In my first Christmas story of 1980 I reported on Tuesday that a Christmas card trade show is to be held in a fortnight's time. This brought Lucille Hall of the Royal National Institute for the Blind to say that their Sunshine Fund Christmas cards had been on show since the weekend at the Statistex stationery fair in London which ended yesterday.

Ross Davies

## JOHN GARR (DONCASTER) LIMITED

### Joinery Manufacturers

Extracts from the accounts for the year ended 30th September, 1979

	1979 £000s	1978 £000s
Sales to customers (excluding VAT)	19,900	18,315
Earnings before Taxation	3,189	2,668
Taxation	1,544	691
Profit after Taxation	1,645	1,977
Earnings	7.46	8.96
Ordinary Dividend	1.88	1.047

- ★ Tenth successive year of increased profits
- ★ New ventures profitable
- ★ Cash funds exceed £3,000,000
- ★ Dividend increased by 77%
- ★ Satisfactory start to new year.



## FINANCIAL NEWS AND MARKET REPORTS

## Dealing profits fall at Stock Conversion

Net revenue at property group Stock Conversion and Investment Trust has fallen in the first six months as a result of the downturn in dealing profits.

Against £1.9m last time, dealing profits in the six months to September 30, amounted to only £53,000, less than net pre-tax revenue £750,000 lower at £4.2m.

Although there will be no dealing profits in the second half, the directors are confident that the year-end revenue will reach last time's level of £8.6m. The interim dividend has been raised by more than 50 per cent to 3.125p, but this is to reduce disparity between it and the final payout and is not an indication of the total dividend level, says the company.

The net asset value of the shares, on the previous valuation, amounts to 230p, against a share price 6p higher yesterday at 376p. It is thought that a current value of the group's properties would throw up a net asset value of around 450p a share.

## Magnet &amp; Southern on course for £25m

Timber and home improvement group Magnet & Southern pushed up pre-tax profits at the half way stage by 39 per cent to £12.8m. Mr Sam Oxford, the company's chairman, is confident that progress will be maintained in the second half to March 31.

Turnover rose from £60m in the first six months of 1978 to £69.5m in the same period of last year. Mr Oxford says that trading was good in the third quarter and does not "quarrel" with estimates of £25m pre-tax profits for the whole year.

An interim dividend of 4.29p gross has been declared, up 70 per cent on the last interim after allowing for the scrip issue. But it is pointed out that the increase follows the abolition of dividend restraint, and the final is not likely to increase by the same proportion.

About half of the group's turnover comes from the do-it-yourself business, and Mr Oxford says that this proportion is increasing. The group expects to add another six depots to the 200 it has around the country by the end of the current financial year, and could have 20 more.

Mr Oxford believes that the home improvement business has a long way to go. He says: "I am convinced that people will spend more on their homes than on their cars." A slow-down in consumer spending will only cause the trend to falter, he adds.

Housebuilding, the other main area of activity, is more or less static at around a quarter of the company's business. The construction side is not expected to expand, and Magnet has a policy of diversifying away from what it considers to be a politically sensitive business.

Instead, energy conservation in the form of house insulation and double glazing is regarded as very promising. Magnet has recently opened a new door factory.

At the moment the company's cash balances are about £14m, but that will be reduced by tax payments to nearer £9m by the close of the financial year. Most of these funds are in gilts, and Magnet has no new major investment plans. The shares rose 16p on the day to 61p to yield an historic 5.2 per cent.

## Stock markets

## Rise across board as institutions join rally

Equities jumped back into the fray yesterday, adding impetus to further strong performances by gilts and gold shares.

After a cautious start dealers reported a sharp increase in turnover as the daily institutions loaded with cash, took the plunge and sent the index soaring through the 450 barrier. But with jobbers still reluctant to soak up stock, the rises were

Y. J. Lovell (Holdings) the builder and developer, are firm at 98p ahead of figures for the year to last September. In the first six months profits rose from £717,000 to £815,000 and there is an impression that in the full year Lovell managed to raise profits from £1.8m to around £2.2m.

apt to bear an exaggerated appearance. Nevertheless, the determination of investors not to be left behind served to strengthen the rally. The FT index went on to finish at its high point of the day 13.8 up at 455.5.

Gold shares also came in for further hectic trading as the bullion price smashed through the \$700 mark to reach \$780

before profit taking left it with an overall rise of \$67.5 on the day at \$755.

Gilts picked up after a nervous start with the market enjoying some strong turnover. Prices throughout the list closed at their high point with gilts showing rises of about £1, while at the shorter end gains of £3 on overnight levels were witnessed.

The improvement in equities was also helped by a good set of figures from the various companies reporting. Among these Tate & Lyle surged 10p to 170p on profits well above market expectations. Letaset International improved 7p to 142p after a 21 per cent hoist in pre-tax profits at the interim stage and full year figures from Trusthouse Forte, the first of the big leisure group's reporting this week, were also well received pushing the shares 16p to 159p. Grand Metropolitan, reporting today advanced 5p to 146p. Reo Stakis were wavered in the first six months.

In the full year, turnover rose by 11 per cent to £58.63m, while pre-tax profits went ahead 26 per cent to £3.56m.

In both turnover and profit terms hotel and inns have firmly put casinos into second place.

Hotels and inns' business went up from £21.87m to £26.17m, pulling up trading profits from £1.56m to £2.2m. The casinos, nine of whom in the year under review, with a tenth in Hull just added, were good for an increase in turnover from £4.69m to £6.06m and trading profits rose from £882,000 to £1.36m. The only laggards were the

cent of Hovermarine Transport sent the shares sliding 17p to 190p while the strong demand for holidays continued to help Horizon Travel by 15p to 223p.

In builders the improvement in interim profits at Magnet & Southern provided for a 16p rise at 161p and further loan facilities helped Montague Meyer 3p at 77p but further consideration of SGB's recent figures clipped 1p to 233p.

Comment was good for an 8p rise in Elson Robbing at 83p and Brooke Street Bureau 6p better at 64p and the chair-

man's resignation at Kitchen Queen prompted a 2p rise at 30p.

Leading industrials showed some strong gains with most finishing at the best levels of the day. Glaxo rose 15p to 473p, Fisons 10p to 299p and ICI 8p to 377p.

Electricals and engineering showed little sign of the steel strike. Staveley advanced 10p to 285p and GKN 6p to 285p, earlier reports that it is ready to bid for Decca 15p lower at 325p. Some lines of thought, however,

anticipate a possible counter-bid at some stage possibly from GEC 7p stronger at 356p yesterday.

Equity turnover on January 15, was £11.837m (17.281 bargains). Active stocks yesterday according to the Exchange Table dated Gold Fields, Premier Coal, Shell, Lonrho, Rascal, Imperial Continental Finance Corp, Imperial Continental Gas, British BP, Tricent, Delagay, Allied Colloids, Trusthouse Forte, Selection Tst, Boon, Charter 'Cons, BAT and Boverat.

## Latest results

Company	Sales £m	Profits £m	Earnings per share	Div pence	Pay date	Year's total
Int of Fin	—	0.72(0.50)	—	—	2/4	2.75(1.49)
Albion (F)	16.7(12.5)	1.5(2.6)	1.3(2.6)	0.54(0.64)	28/3	3.5(2.6)
Allied Colloids (I)	12.9(12.5)	1.3(1.6)	20.7(9.3)	2.1(2.3)	—	—
Countryside Prop (F)	35.5(23.2)	6.26(5.17)	9.29(7.9)	1.09(0.98)	29/2	—
Letaset (I)	69.5(60.0)	12.8(9.23)	12.8(9.23)	3.9(1.73)	31/3	—
Reo Stakis (F)	58.6(52.7)	3.56(2.7)	7.0(6.5)	1.3(1.0)	10/4	1.75(1.0)
Samuel Heald (I)	1.3(1.4)	0.18(0.25)	—	—	—	—
Stock Exp	—	4.2(4.9)	—	—	10/3	—
T. French & Sons (F)	15.4(13.2)	1.6(1.2)	23.2(14.9)	4.5(2.8)	—	—
Trusthouse Forte (F)	20.0(18.7)	6.0(5.0)	20.0(18.7)	6.0(5.0)	8/4	8.0(5.3)
Tate & Lyle (F)	1,190.0(1,147.0)	26.2(24.6)	24.9(16.3)	4.0(1.05)	—	10.5(10.5)
US & Gen Trst (F)	—	1.3(1.0)	10.8(7.4)	5.16(—)	13/3	10.29(—)
West Board Mills (I)	1.8(1.5)	0.65(0.54)	—	1.7(1.4)	—	—

Dividends in this table are shown net of tax on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pre-tax and earnings are net. a=including special dividend of 1.63p.

## Broking merger

By Alison Mitchell  
The top two partners of the new stockbroking group being proposed by Kemp-Gee and J and A Scrimgeour will both come from Kemp-Gee.

If the merger goes ahead Mr Richard Fulford senior partner at Kemp-Gee will become the top man of the enlarged partnership while his current deputy Mr Ian Dipple will become the new number two.

Although both firms are roughly the same size—each currently has 22 partners and a staff of around 160—Kemp-Gee, which made the initial approach, appears to be the dominant negotiator.

Because it is a partnership Kemp-Gee does not disclose its annual figures but Mr Fulford admitted last year the firm paid a 60 per cent bonus to its staff. Although this compares with 80 per cent the year

before Mr Fulford stressed that this reduction was partly due to the increased salary base of the firm.

In the year to September 30, 1979, Scrimgeour made a pre-tax profit of £400,000, against £800,000 for the previous 12 months.

Kemp-Gee explains the logic of the merger as the fitting together of two complementary brokers. Scrimgeour specializes in institutional gilts, corporate finance and management funds while Kemp-Gee's strength lies in its institutional equity and private client business.

Last November Scrimgeour announced merger proposals with another large City stockbroking partnership Grievson, Grant. However the talks were called off two weeks later as a result of strong reaction by key employees of both firms against the get-together.

## Guinness growth rate slows

Higher interest rates and increasing costs will prevent brewing group Arthur Guinness from continuing to expand at the level of last year.

Chairman Lord Iveagh tells shareholders in the annual report that although profits will increase in the current period it is unlikely to be at last time's 18 per cent level.

However, in order to strengthen the group, Guinness will be expanding into non-brewing activities—and particularly into the materials handling field. In this area the limits to expansion will be governed by the rate at which ideas can be generated and the need to ensure the best possible service to customers, rather than by the constraints of total market size, Lord Iveagh adds.

Guinness is also hoping to expand its leisure division and has bought the Li-Lo brand name

## Reo Stakis up 37 pc

By Peter Wainwright  
Scottish hotels-to-gaming group, Reo Stakis Organization finished the year to September 30 last in style after holding pre-tax profits by 37 per cent in the first six months.

In the full year, turnover rose by 11 per cent to £58.63m, while pre-tax profits went ahead 26 per cent to £3.56m.

In both turnover and profit terms hotel and inns have firmly put casinos into second place.

Hotels and inns' business went up from £21.87m to £26.17m, pulling up trading profits from £1.56m to £2.2m. The casinos, nine of whom in the year under review, with a tenth in Hull just added, were good for an increase in turnover from £4.69m to £6.06m and trading profits rose from £882,000 to £1.36m. The only laggards were the

spirits and off licences where profits fell from £662,000 to £548,000.

Pub licensing hours were lengthened in Scotland, switching trade from off licences into pubs and hotels.

So earnings a share rose from 5.08p to 7.05p, enabling the directors under Mr Reo Stakis to raise the total ordinary dividend by 75 per cent to 1.75p net, or 2.50p gross. There is also to be a one-for-two scrip issue.

This was enough to lift the shares 8p to 59p, but even on the new dividend the yield is still less than 44 per cent. However, its cost, £619,000, is small against the profits of £2.49m.

The price-earnings ratio of 8.4 is about par for the sector. Business this year will depend a lot on consumer spending generally, and the price of fuel in particular.

## Oil prices slow Allied Colloids

The increase in the cost of oil and the strength of sterling has almost halved interim profits at Allied Colloids.

This Bradford-based manufacturer of specialized chemicals has seen its three quarters of its products, mainly to Europe, America and Canada, and the exchange differences, compared to the same period last time, cost the group about £750,000.

As such, pre-tax profits in the six months to September 29 fell from £2.6m to £1.5m on sales up from £13.5m to £16.7m. However, recent price increases by Allied ought to help second-half figures, providing they are not outstripped by further rises in raw material costs.

For shareholders there is a share-again interim dividend of 0.92p and the directors have given no indication as to the level of the final payout. The shares yesterday fell 12p to 126p.

Properties for the third year running. In the 12 months to last September, pre-tax profits reached a record £1.3m, against £605,000. Earnings a share jumped to 20.7p (9.3p); turnover contracted from £12.87m to £12m. The total gross dividend is being raised to 5p—an increase of 25 per cent on last time.

Recommending a scrip issue and consolidation, which will raise the nominal value of each 5p share to 25p, the board is optimistic about the current year.

Shareholders approve Belhaven deal

At Belhaven Brewery's extraordinary meeting held yesterday shareholders approved the conditional agreement made last December between Belhaven and the vendors of Ashtown Ltd. They also approved the subscription for shares in Belhaven by Mr Eric Morley and his associates, the increase in the share capital and the appointment of Sir Fred Pontin to the board.

Walker extends Highland bid

The offer by Eilam Walker-Gooderham & Worts for Highland Distilleries has so far attracted acceptances on 76,700 shares. This raises the stake of Eilam Walker to just 5.1 per cent—including the 3m shares held by a subsidiary before the offer was made. The offer has not been extended until January 29.

Best-ever £1.62m at Thomas French

On sales up 16 per cent to £15.4m for the year to September 29, pre-tax profits of Thomas French and Sons rose by a third to £1.62m. Earnings per share jumped by 56 per cent to 23.2p and the total dividend, gross, is being boosted from 4.17p to 6.42p. French makes curtain styling products, etc, and specialized electrical heating equipment.

S Heath looks for better second half

Pre-tax profits of Birmingham-based Samuel Heath and Sons fell from £355,000 to £180,000 in the half-year to September 30, on turnover down from £1.43m to £1.33m. This is in line with the board's forecast

Western Board Mills still pushing ahead

Western Board Mills is still advancing, having broken through the 50m mark in 1978-79.

Before tax, they rose from £548,000 to £555,000 in the half-year to September 30, on turnover up from £1.59m to £1.8m. The interim dividend is being boosted from 2.05p to 2.42p gross. Mr H. M. Vogel, the chairman, thinks it is a reasonable assumption that W.B.M. is heading for profits exceeding last year's record £1.15m pre-tax unless dislocation of the steel strike is widespread and continues for a substantial period.

Countryside Prop tops £1m mark

More than doubled profits are reported by Countryside

## Boeing Shares Now Trading in London and Switzerland

For the convenience of our many European shareholders, we introduced our shares for trading on The Stock Exchange, London, on January 14, 1980, and the Stock Exchanges in Zurich, Geneva and Basel on January 17, 1980. In addition, our shares have been actively traded for many years on the Brussels and Amsterdam Stock Exchanges and in the free market (Freiverkehr) in Frankfurt. You can thus check prices and trading in your local financial press.

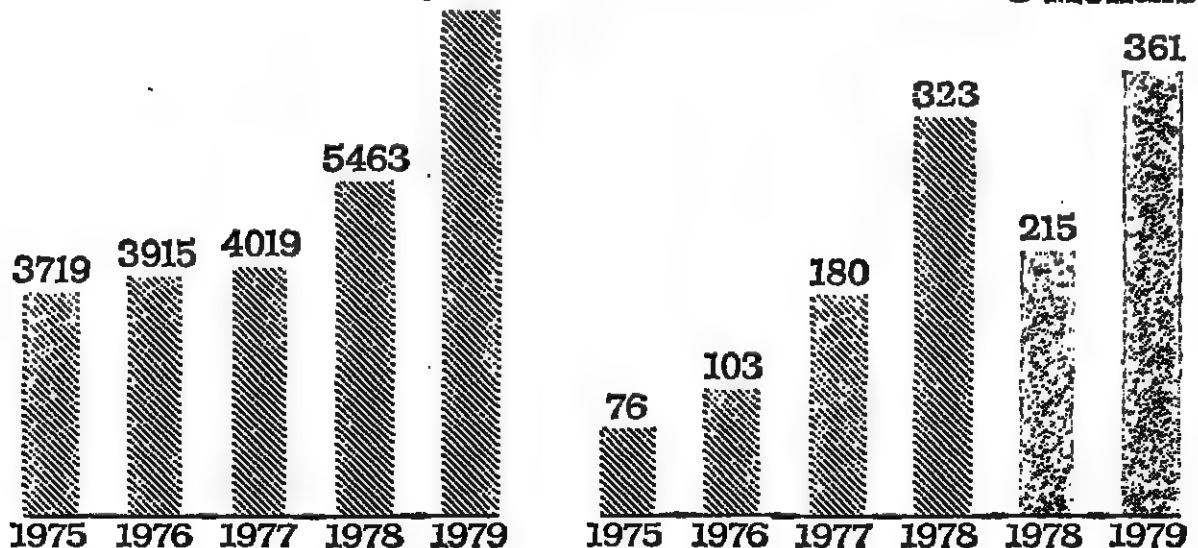
## Financial Highlights

## Sales (\$ in millions)

## Net Earnings (\$ in millions)

8100-8200

9 Months



## Dividends paid per share:

1978 \$ 1.30 (adjusted for 3 for 2 split)  
1979 \$ 2.10

## Total backlog:

	Commercial Customers	U.S. Government
31 December 1978	\$ 11,154 million	86%
31 December 1979	\$ 16,211 million	90%

(Announced orders for which definite contracts have not been executed and purchase options are not included in commercial backlog.)

If you would like to receive a copy of the statement made by Mr. T.A. Wilson, chairman of the board and chief executive officer, in connection with these share introductions, please write to: BOEING Investor Relations, c/o Marsteller, 69 Avenue Franklin Roosevelt, 75008 Paris, France.

THE BOEING COMPANY

## Higher interest boosting US banks

United States banks continue to report better earnings figures with most of them attributing the improvement to higher interest rates.

Chase Manhattan, the third largest United States bank, reported an increase in income before securities transactions from \$192.2m to \$211.2m, equivalent to a 62 per cent jump in earnings per share to \$9.07. Fourth quarter income rose 31 per cent to \$76.7m on the same period last year. But it was 6 per cent down on the third quarter of 1979 because of lower overseas net interest income as a result of narrower interest rate spreads and a higher level of operating expenses only partially offset by an increase in other operating income.

Provisions for loan losses also dropped in the fourth quarter from \$42.8m to \$36m, leaving the balance for possible loan losses at \$420.8m equivalent to 1.4 per cent of the loan portfolio.

Also in New York, Marine Midland, whose takeover by Hong Kong & Shanghai Bank is still being held up by the United States banking authorities, reported an even sharper improvement with net income

before securities transactions 74.4 per cent ahead at \$42.8m. Net interest income of \$345m was 11.4 per cent ahead and the highest in the bank's history.

Much the same picture has emerged from the big Californian banks although Wells Fargo's 11 per cent rise in net income to \$130.2m was not quite as spectacular as the New York money-centre banks who had more ground to make after earlier property losses.

The bank attributes the up-

## International

turn to a good performance from retail banking, helped by the expansion of its branch network.

Domestic loans were above those of the year before but tighter conditions in the international loan market coupled with Wells Fargo's decision to forego lending to less credit-worthy customers has resulted in a decline in overseas lending.

Hudson Bay offer

Hudson Bay Mining and Smelting Company of Canada says its wholly-owned subsidiary

MONTAGUE L. MEYER Board has negotiated a £15m medium-term multi-currency loan with a syndicate of international banks managed by Hambros Bank. Loan is for seven years and carries option to convert into dollars or certain leading European currencies.

CITY OF WESTMINSTER City of Westminster Assurance continues to expand its business.

BRIEFLY with single premiums by 80 per cent and regular premiums by 16 per cent. New single premium income was £5.5m. City of Westminster Assurance is a subsidiary of the Sentry Insurance Group.

BOULTON AND PAUL Pre-tax profits of Boulton and Paul (subsidiary of BET) rose from £3.3m to £3.7m in the half-year to September 30. Turnover: £40.33m (£37.44m).

RELIANCE MUTUAL An increase of 127 per cent in new life business written during 1979 is reported by the Reliance Mutual. New ordinary branch life same assured reached £16m

(£75m). New single premium income during the year amounted to £430,000 and new annual premium income to £1.3m.

TRICENTROT Recommended cash offers by Tricentrot for Cableform Group have received acceptances from holders of over 80 per cent of ordinary capital and over 75 per cent of preference. Offers unconditional and remain open.

REDFRANK GROUP Results for the full year 1978-80 are likely to be comparable with 1978-79, the chairman of Redfrank National Glass, Mr John Pratt, reports in his annual statement. Looking further ahead and with more helpful circumstances, the board looks for a resumption of profit growth.

SEERK Serck's dividend should be "at least maintainable in 1980" as chairman Mr R. G. Martin reports in his annual statement.

KEYWOOD WILLIAMS Heywood Williams Group has recently generated £1.5m cash from the disposal of development properties and the sale of the quarry and asphalt manufacturing businesses of its subsidiary Pitches Ltd. Pitches' remaining activities in contracting, decking, cladding and the sale of specialized products continues within Heywood Williams. The book value of the property sold was £800,000.

HB Holdings has commenced its tender offer for any and all outstanding shares of capital stock of Rosario Resources Corporation at \$65 a share net to the seller in cash. This is under and subject to the conditions of the offer purchase and related materials which are being mailed to stockholders of Rosario Resources.

The offer was due to expire on Wednesday unless extended. Dealer-manager for the offer is First Boston Corporation.

As already announced the United States District Court for the Southern District of New York has entered an order approving a stipulation under which the New York Attorney General agreed that the purchaser will have complied with New York law upon the filing of a registration statement with the attorney General.

HB Holdings has filed a registration statement with the Attorney General, and the entering of the Federal Court order Rosario Resources purported to commence an action in a New York State Court against HB Holdings and the New York State Attorney General to enjoin HB Holdings from making or continuing the offer without complying with the terms of New York law.

Business appointments

Acting managing director for GEC-Fairchild

Mr Murray McLachlan has been appointed acting managing director of GEC-Fairchild after the resignation of Mr David Marriott. Mr McLachlan is a vice-president of Fairchild.

Lord Caldecote has joined the board of Estates Duties Investment Trust.

Mr M. G. R. Sandberg has been appointed chairman of the British Bank of the Middle East in place of Mr P. E. Huston after the transfer of the bank's head office from London to Hongkong. Mr Huston has been made chairman of the bank's new London Advisory Committee, other members of which are: Lord Demman, Sir Geoffrey Arthur, Mr G. A. Selver, Mr H. L. Deswick, Mr W. D. Peyton, Mr G. M. Sayer, Mr J. A. Swire, Viscountess, Sir Philip de Zulueta, Mr I. L. Boyer, Mr A. D. A. G. Mosley, Mr F. E. Hammond, Mr W. Purves and Mr J. A. R. Hill have joined the board.

Dr Peter W. Russell Eggett, director of research and technology for Spillers, has been elected chairman of the scientific advisory committee of the Food Manufacturers Federation.



## FINANCIAL NEWS AND MARKET REPORTS

## Mine results follow trend in gold prices

By Michael Prest

Results for the December quarter from General Mining and Union Corporation confirm the trend towards higher gold prices received and bigger profits.

Among the General Mining group mines, Buffelsfontein and Sclintfontein saw their after-tax profits rise by 60 per cent and 100 per cent respectively. The Union Corporation mines' profits generally went up less, except Grootvlei which rose 69 per cent.

West Rand Consolidated, in the Gen Min group, turned a loss of R486,000 (£261,000) into an R288,000 profit (Unisel, a new mine in the Unico group, made a profit of R6,88m in its first three months of operation).

One grade for mines in both groups were much the same as in the previous quarter. The biggest change was at Bracken, where the Unico mines, where a decline in yields from S.4 grammes per ton to 4.6 contributed to a 10 per cent fall in profits to R2.21m.

The average tax rate in all the mines was about 60 per cent. But at Sclintfontein the charge remained the same as in the previous quarter, leading to record profits of R13.6m.

"At Gen Min, the average gold price received for the three months was 14.6, up 36.4 per cent over the previous three months. Unico's average went up by 31.5 per cent to \$414.5, including Unisel reporting for the first time.

## Building Societies

## Nationwide

In 1979, the Nationwide Building Society's assets expanded by 19 per cent to £1,935m. Mr Leonard Williams, reported yesterday, in a year which was difficult for societies, Nationwide's gross receipts of £1,834m, its net receipts (after withdrawals) of £603m and its mortgage advances of £866m, were all records.

## Options

Business among traded options continued to soar yesterday and total contracts rose from 1,089 to 1,198. Consolidated Gold Fields again dominated demand accounting for 610 contracts helped still further by the gold price. The rise in the price to 466p has prompted the introduction of a new series of April and July 500p contracts on Friday and to day saw the start of a new series of Commercial Union July 160p series.

## AVERAGE EARNINGS

The following are the index numbers for average earnings of employees in all industries and services covered by the monthly earnings inquiry released by the Department of Employment:

	(1) Old series of average earnings (1975=100)	(2) New series of average earnings (1975=100)	Change over 3 months at annualised rate
1978			
Nov	344.5	136.1	12.2
Dec	350.1	138.0	13.5
1979			
Jan	344.7	135.7	0.2
Feb	355.5	141.1	13.3
March	369.3	143.7	23.6
April	368.1	144.3	30.3
May	373.2	146.9	21.0
June	385.6	150.9	20.1
July	387.8	156.6	23.0
Aug	384.9	153.3	23.0
Sept	401.3	158.1	25.9
Oct	407.8	162.2	26.8

## Bank Base Rates

Bank	1 month	3 months	6 months	1 year
ABN Bank	17%	17%	17%	17%
Barclays Bank	17%	17%	17%	17%
Bank of Scotland	17%	17%	17%	17%
Consolidated Crdts	17%	17%	17%	17%
C. Hoare & Co	17%	17%	17%	17%
Lloyds Bank	17%	17%	17%	17%
London Mercantile	17%	17%	17%	17%
Midland Bank	17%	17%	17%	17%
Nat Westminster	17%	17%	17%	17%
Royal Bank	17%	17%	17%	17%
TSB	17%	17%	17%	17%
Williams and Glyn's	17%	17%	17%	17%

\* 7 day deposit on sums of £10,000 and under 15% up to £25,000 15% over £25,000 16%.

## M. J. H. Nightingale &amp; Co. Limited

27/28 Lovat Lane London EC3R 9EB Telephone: 01-638 8651

## The Over-the-Counter Market

1979/80	High	Low	Company	Price	Ch's	Drp	Yld	P/E
99	73		Airsprung Group	73	-	6.7	9.2	*4.3
50	38		Arrington & Rhodes	225	-	3.8	9.7	*2.5
225	185		Barnard Hill	92	-	5.0	5.4	10.1
101	63		Deborah Ord	350	-	17.5	5.0	-
333	140		Deborah 17% CULS	350	-	7.9	8.6	5.7
98			Frank Horsell	102	-	12.8	11.7	*8.4
129	100		Frederick Parker	107	-	16.5	15.4	-
153	106		George Blair	59	-	5.2	8.8	*3.5
61	45		Jackson Group	116	-	7.2	6.2	10.2
153	115		James Burroughs	247	-	31.3	12.7	*7.9
300	242		Robert Jenkins	223	-	14.3	6.4	*5.8
232	175		Torday Limited	211	-	1.1	0.8	3.9
34	161		Twinkllock Ord	76	-	1.2	15.8	-
80	70		Twinkllock Holdings	55	-	2.6	5.3	5.4
56	23		Unilock Alexander	82	-	4.4	6.2	7.2
84	42		Walker Alexander	185	-	11.5	6.2	7.2
190	136		W. S. Yeates					

\* Accounts prepared under provision of SSAP15.

## Wall Street

## New York, Jan 16—The stock market suffered a bout of profit taking late in the day and prices ended narrowly lower in very heavy turnover.

Analysts said stocks were due for a correction after recent strength and that late weakness in the dollar, silver and gold stocks provided an excuse for some selling.

The Dow Jones industrial average lost 3.41 but advanced edged declines as volume rose to 3.2 billion shares from 3.12 billion yesterday, the second heaviest turnover ever.

The heaviest trading to date occurred on October 10, 1979.

## Gold peaks at \$745.00

New York, Jan 16—Precious metals were mixed in early trading but the day's action was dominated by a sharp decline in gold prices after a peak of \$745.00.

Gold prices fell from a peak of \$745.00 to a low of \$735.00 before recovering to close at \$740.00.

Silver prices were also mixed, with a peak of \$16.50 followed by a decline to \$16.20 before recovering to close at \$16.40.

Copper prices were steady, with a peak of \$1.10 followed by a decline to \$1.08 before recovering to close at \$1.09.

Platinum prices were also steady, with a peak of \$1,000 followed by a decline to \$980 before recovering to close at \$990.

Other metals prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Commodities prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Grains prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Oil prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Other commodities prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Options prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Building societies prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Discount market prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Recent issues prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Eurosyndicate prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Foreign exchange report prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Sterling spot and forward prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Dollar spot rates prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

EMS European currency rates prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Gold prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Euro deposits prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Other financial markets prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

Bank base rates prices were mixed, with a peak of \$1.50 followed by a decline to \$1.40 before recovering to close at \$1.45.

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## Authorized Units, Insurance &amp; Offshore Funds

1979/80	High	Low	Company	Price	Ch's	Drp	Yld	P/E
99	73		Airsprung Group	73	-	6.7	9.2	*4.3
50	38		Arrington & Rhodes	225	-	3.8	9.7	*2.5
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84	42		Walker Alexander	185	-	11.5	6.2	7.2
190	136		W. S. Yeates					



## Stock Exchange Prices

### Sharp gains

ACCOUNT DAYS: Dealings Began, Jan 14. Dealings End, Jan 25. § Contango Day, Jan 28. Settlement Day, Feb 4

[illegible]

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